

ORIGINAL

Decision No. 66233

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

PACIFIC POWER & LIGHT COMPANY

for an Order authorizing the issuance of unsecured promissory notes in the aggregate principal amount of \$45,000,000 at any one time outstanding.

Application No. 45853
Filed October 10, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Pacific Power & Light Company to issue its promissory notes in the aggregate principal amount of not to exceed \$45,000,000 under and pursuant to the terms of a proposed credit agreement with a group of banks.

According to the proposed agreement, the banks, from time to time during the period beginning on March 31, 1964 and ending on September 30, 1965, will be obligated to make loans to applicant up to an aggregate amount of \$45,000,000 at any one time outstanding, the borrowings to be represented by notes payable eleven months after their dates or on September 30, 1965, whichever shall be earlier, and to bear interest at the rate per annum which shall be equivalent to the prime commercial rate of interest charged by Morgan Guaranty Trust Company of New York from time to time. Applicant will pay the banks a commitment fee computed on the daily average unused amount

of the credit at the rate of 1/4 of one percent per annum and applicant will have the right to borrow, repay and reborrow up to the aggregate amount of the credit.

The purpose of the financing is to enable applicant to retire notes issued under its current credit agreement, and to finance, in part, temporarily, its continuing construction program, the expenditures for which are estimated at approximately \$52,500,000 for the year 1963, \$47,000,000 for the year 1964, and \$41,000,000 for the year 1965.

The Commission has considered this matter and is of the opinion, and so finds, that (1) applicant will have need for funds for the temporary financing of its construction program and for retirement of debt; (2) the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purposes specified herein; and (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings, we conclude that the application should be granted. The authorization herein granted is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in future proceedings for the purpose of determining just and reasonable rates. No authorization is herein granted to applicant to finance the cost of transmission facilities which cross federal lands, unless and until applicant first

shall have obtained the approval of the proper agency of the government of the United States. No part of the securities herein authorized shall be used to finance the 230 kv line from Klamath Falls, Oregon, south into California to interconnect with the system of the Pacific Gas and Electric Company (Keno, Oregon to Stephens Butte, California).

O R D E R

IT IS ORDERED that:

1. Pacific Power & Light Company, on or after the effective date hereof and on or before September 30, 1965, may issue, repay and reissue its notes, pursuant to the terms of its proposed credit agreement, in the aggregate principal amount of not to exceed \$45,000,000 at any one time outstanding, and may use the proceeds for the purposes set forth in this application, except as restricted in the foregoing opinion.

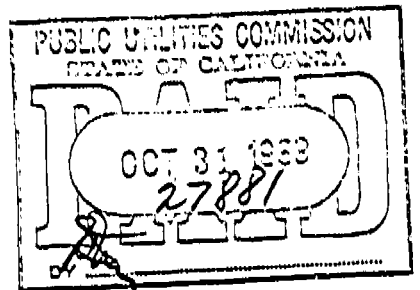
2. Within thirty days after the execution of said credit agreement, Pacific Power & Light Company shall file three copies of the same with the Commission. Within thirty days after the issue of each note under the authorization herein granted, it shall file a report with the Commission showing the date of issue of said note, the name of the payee and the amount, together with a statement showing, in general, the purpose for which the issue was made.

3. This order shall become effective when Pacific Power & Light Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 29th day of October, 1963.

William W. Brown
President
John S. Mitchell
Robert W. [unclear]

Commissioners



We concur in the opinion and order except that we dissent, for the same reasons set forth in our dissenting views in Decision No. 65715, dated July 16, 1963, to that portion which prohibits use of the securities to finance construction of the line from Klamath Falls, Oregon, into California.

George H. Traver
Commissioner

Frederick B. Habeloff
Commissioner