

ORIGINAL

Decision No. 68901

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 not to exceed)
\$45,000,000 at any one time)
outstanding.)

Application No. 47441
Filed March 26, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Pacific Power & Light Company to issue promissory notes in the aggregate principal amount of not to exceed \$45,000,000 under the terms of a previously authorized Credit Agreement as amended by a letter agreement dated as of March 10, 1965.

By Decision No. 66233, dated October 29, 1963, in Application No. 45853, applicant was granted authority to issue, repay and reissue its unsecured promissory notes in the aggregate principal amount of not to exceed \$45,000,000 at any one time outstanding, pursuant to the terms of a Credit Agreement dated as of October 1, 1963. The agreement provides that any notes issued thereunder shall mature eleven months after their date or on September 30, 1965, whichever

is earlier, and shall bear interest at the rate per annum equivalent to the prime commercial rate of interest charged by Morgan Guaranty Trust Company of New York from time to time, with applicant being obligated to pay a commitment fee of 1/4 of one percent per annum on unborrowed balances.

The present application shows that applicant now desires to extend the availability of such revolving credit until June 30, 1967, and it proposes to supplement the existing Credit Agreement by entering into a letter agreement with a group of banks. Under the terms of said supplemental letter agreement, applicant will have the right to borrow and reborrow upon terms and conditions similar to those in the original Credit Agreement, except that such borrowings or reborrowings made during the extended period will be evidenced by notes maturing eleven months after their date, or on June 30, 1967, whichever is earlier.

According to the application, the purpose of the proposed financing is to provide the company with temporary funds to be applied toward its construction program. Applicant reports that its estimated capital expenditures will amount to \$49,150,000 and \$40,000,000 in the years 1965 and 1966, respectively, and that \$23,200,000 will be expended during the first half of 1967.

The Commission has considered this matter and finds that: (1) applicant will have need for temporary financing of its construction program; (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 given is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

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 June 30, 1967, may issue, repay and reissue its unsecured promissory notes, pursuant to the terms of its Credit Agreement dated as of October 1, 1963, as supplemented by a letter agreement dated as of March 10, 1965, in an aggregate principal amount of not to exceed \$45,000,000 at any one time outstanding, and shall use the proceeds for the purposes set forth in the application.

2. Within thirty days after the issue of each note under the authorization herein granted, Pacific Power & Light Company 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 20th day of APRIL, 1965.

Frederick P. Halachoff
President

E. J. [unclear]

George H. Hoover

Augustus [unclear]

William L. Beards
Commissioners

