

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of PACIFIC GAS AND ELECTRIC)
COMPANY, a corporation, for an)
order authorizing applicant to)
execute, acknowledge and deliver)
a Ninth Supplemental Indenture)
to its First and Refunding)
Mortgage, dated December 1, 1920,)
as supplemented.)

Application No. 47705
Filed June 25, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Pacific Gas and Electric Company to execute, acknowledge and deliver a supplemental indenture.

Applicant proposes to supplement further its First and Refunding Mortgage by executing a Ninth Supplemental Indenture, which will (a) perfect the security interest created by said mortgage in the personal property of the company and (b) confirm to the trustees properties acquired by applicant subsequent to the execution of the Eighth Supplemental Indenture, and expressly subject such properties to the lien of said mortgage, as supplemented.

It appears that the creation and perfection of security interests in personal property acquired by applicant after January 1, 1965 are now controlled by the California version of the Uniform Commercial Code, which became effective

on said date. Applicant asserts that said code requires for the creation of a security interest that there be a "transaction" intended to create a security interest and that the proposed Ninth Supplemental Indenture will constitute such a transaction, and will remove any doubt which might otherwise arise concerning the rights of the trustees under said mortgage with respect to the company's personal property.

As an additional reason for executing the proposed Ninth Supplemental Indenture, applicant points out that prior to January 1, 1965, Section 2955 of the Civil Code prohibited mortgages on personal property not capable of manual delivery and that said prohibition was eliminated upon the enactment of said Uniform Commercial Code. The application shows that it was intended that the lien created by said mortgage should extend to all forms of personal property owned by the company, and that the proposed Ninth Supplemental Indenture is required in order to create the security interest of the trustees in such property which was heretofore not capable of being mortgaged.

The Commission has considered this matter and finds that the proposed Ninth Supplemental Indenture would not be adverse to the public interest. On the basis of this finding we conclude that the application should be granted. A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. Pacific Gas and Electric Company may execute, acknowledge and deliver a Ninth Supplemental Indenture in the same form, or in substantially the same form, as Exhibit B attached to the application.

2. Within thirty days after delivering said supplemental indenture, Pacific Gas and Electric Company shall file with the Commission two copies thereof as actually executed.

3. The effective date of this order is the date hereof.

Dated at San Francisco, California,
this 1st day of July, 1965.

[Signature] President

[Signature]

[Signature]

Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.