

ORIGINAL

Decision No. 72037

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of PACIFIC GAS AND ELECTRIC)
COMPANY for an order authorizing)
it to issue and sell \$80,000,000)
aggregate principal amount of)
its First and Refunding Mortgage)
Bonds, Series 00, due June 1,)
1999, and to use the proceeds)
thereof for the purposes stated)
in this petition.)

Application No. 49130
Filed February 6, 1967

O P I N I O N

In this application Pacific Gas and Electric Company seeks authorization to issue and sell \$80,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series 00, due June 1, 1999, for the purposes, generally, of repaying bank loans, reimbursing its treasury and financing the cost of additions to, extensions of, and improvements to its plant, properties and facilities.

The company reports that its unreimbursed capital expenditures amounted to \$1,380,361,649 as of November 30, 1966, and that the unexpended balance of general manager's authorizations for capital additions and improvements aggregated \$306,181,678. Applicant estimates that during the year 1967 its capital expenditures will approximate \$295,000,000 and that about one-half of this amount will have to be provided from external sources. Applicant's reported capital ratios as of December 31, 1966, adjusted to give effect to the proposed issue, are as follows:

Long-term debt	53%
Preferred stock	11
Common stock equity	<u>36</u>
Total	<u>100%</u>

Applicant intends to sell its new bonds at competitive bidding, the successful bid to determine the interest rate. The bonds will be subject to a restrictive redemption provision until June 1, 1972.

The Commission has considered this matter and finds that: (1) the proposed bond issue is for proper purposes; (2) applicant has need for funds from external sources for the purposes set forth in the application; (3) applicant will be required to pay interest at a lower effective rate than it would in the absence of the proposed restrictive redemption provision; (4) the money, property or labor to be procured or paid for by the issue of the bonds herein authorized is reasonably required for the purposes specified herein; and (5) such purposes, except as otherwise authorized for accrued interest, 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 proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company may invite the submission of written sealed bids for the purchase of \$80,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series 00, due June 1, 1999, such invitation for bids to be published at least five days prior to the date set for the opening of the bids.

2. Pacific Gas and Electric Company may issue and sell \$80,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series 00, due June 1, 1999, at competitive bidding to the purchaser, or purchasers, offering to it the most favorable terms as disclosed by the bids received.

3. Pacific Gas and Electric Company shall use the proceeds from the sale of said bonds for the purposes set forth in the application.

4. Immediately upon awarding the contract for the sale of said bonds, Pacific Gas and Electric Company shall file a written report with the Commission showing, as to each bid received, the name of the bidder, the price, the interest rate and the cost of money to applicant based on said price and interest rate.

5. Within thirty days after the issue and sale of the bonds herein authorized, Pacific Gas and Electric Company shall file with the Commission three copies of its prospectus.

6. Within three months after such issue and sale, Pacific Gas and Electric Company shall file with the Commission a statement, in lieu of a report under General Order No. 24-B, disclosing the purposes for which the bond proceeds were used.

7. This order shall become effective when Pacific Gas and Electric Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$23,000.

Dated at San Francisco, California,
this 15th day of FEBRUARY, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

