

ORIGINAL

Decision No. 74841

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 \$60,000,000 aggregate)
 principal amount of its First and)
 Refunding Mortgage Bonds, Series RR,)
 due December 1, 2000, and to use the)
 proceeds thereof for the purposes)
 stated in this petition.)
 _____)

Application No. 50580
Filed September 30, 1968

O P I N I O N

This is an application for an order of the Commission authorizing Pacific Gas and Electric Company to issue and sell \$60,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series RR, due December 1, 2000, and to use the proceeds for the purposes, generally, of repaying bank loans, reimbursing its treasury and financing the cost of additions to, extensions of, and improvements to its plants, properties and facilities.

The company reports that its unreimbursed capital expenditures amounted to \$1,542,720,376 as of July 31, 1968, and that the unexpended balance of general manager's authorizations for capital additions and improvements aggregated \$609,902,377. Applicant estimates that for the year 1968 its capital expenditures

will approximate \$275,000,000. Its reported capitalization percentages as of June 30, 1968, adjusted to give effect to the proposed bond issue, are as follows:

Long-term debt	53.6%
Preferred stock	10.2
Common stock equity	<u>36.2</u>
Total	<u>100.0%</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 December 1, 1973.

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 not exceeding \$60,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series RR, due December 1, 2000, the invitation for bids to be published at least five days prior to the opening of the bids.

2. Pacific Gas and Electric Company may issue and sell not exceeding \$60,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series RR, due December 1, 2000, 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 to be derived through the issue and sale of said bonds for the purposes set forth in the application.

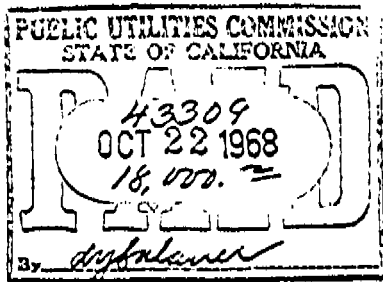
4. Immediately upon awarding the contract for the sale of said bonds, Pacific Gas and Electric Company shall file a written report with the Commission showing, as to each bid received, the name of the bidder, the price, the interest rate, and the cost of money to applicant based on said price and interest 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 \$18,000.

Dated at San Francisco, California,
this 22nd day of OCTOBER, 1968.



William Lyons B.
President
[Signature]
William B. Bennett
[Signature]
[Signature]
Shed P. Mommsey
Commissioners