

Decision No. 75586**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
)
 PACIFIC POWER & LIGHT COMPANY)
)
 for authority to issue \$25,000,000 in)
 principal amount of First Mortgage)
 Bonds.)

Application No. 50983
 Filed April 2, 1969

O P I N I O N

Pacific Power & Light Company requests an order of the Commission authorizing it to execute and deliver a supplemental indenture, and to issue \$25,000,000 principal amount of bonds.

Applicant, a corporation organized under the laws of the State of Maine, is engaged in business principally as an electric utility in the States of California, Idaho, Montana, Oregon, Washington and Wyoming. It also supplies water, steam heat and telephone services in various communities, but not in California. For the year 1968, the corporation reports that approximately 96% of its revenues were derived from its electric business, and that only 5.4% of all revenues originated in California. The utility's capitalization ratios as of December 31, 1968, after giving effect to the proposed bond issue, are summarized from page 4 of Exhibit D, attached to the application, as follows:

Long-term debt	61.1%
Preferred stock	6.9
Common stock equity	<u>32.0</u>
Total	<u>100.0%</u>

The company proposes to invite bids for the purchase of \$25,000,000 aggregate principal amount of its First Mortgage Bonds, due 1999, the successful bid to determine the interest rate. The bonds will be subject to a restricted redemption provision until May 1, 1974, and will be secured by a Mortgage and Deed of Trust dated as of July 1, 1947, as supplemented by nineteen supplemental indentures and a proposed Twentieth Supplemental Indenture.

Page 3 of said Exhibit D shows that the net proceeds to be derived from the sale of the proposed bonds will be used to retire, in part, short-term bank borrowings incurred for the purpose of temporarily financing the company's construction program. For the year 1969, applicant's estimated construction expenditures amount to \$79,000,000.

After consideration the Commission 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 this proceeding.
3. Applicant will be required to pay interest at a lower effective rate than it would in the absence of the proposed restricted redemption provision.
4. The proposed Twentieth Supplemental Indenture will not be adverse to the public interest.
5. 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, which purposes, except as otherwise authorized for accrued interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. 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 Power & Light Company may execute and deliver a Twentieth Supplemental Indenture in the same form, or in substantially the same form, as that attached to the application as Exhibit E.

2. Pacific Power & Light Company may invite the submission of written sealed bids for the purchase of not exceeding \$25,000,000 aggregate principal amount of its First Mortgage Bonds, due 1999, the invitation for bids to be published at least four days prior to the opening of the bids.

3. Pacific Power & Light Company may issue and sell said bonds in the aggregate principal amount of not exceeding \$25,000,000 at the price offered in said bids which will result in the lowest cost of money to applicant determined as set forth in Exhibit G attached to the application.

4. Pacific Power & Light Company shall use the net proceeds, other than accrued interest, from the sale of said bonds for the purposes set forth in this proceeding. The accrued interest, if any, may be used for such purposes or for general corporate purposes.

5. Immediately upon awarding the contract for the sale of said bonds, Pacific Power & Light Company shall file a written

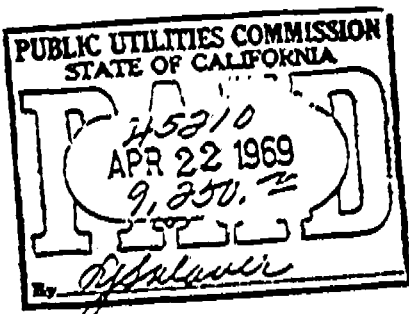
report with the Commission showing, as to each bid received, the name of the bidder, the price, the interest rate and cost of money to applicant based upon such price and interest rate.

6. Within thirty days after the issue and sale of the bonds herein authorized, Pacific Power & Light Company shall file with the Commission three copies of its prospectus relating to said bonds.

7. Within three months after such issue and sale, Pacific Power & Light 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.

8. This order shall become effective when Pacific Power & Light Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$9,250.

Dated at San Francisco, California, this 22nd day of APRIL, 1969.



President
[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.