

ORIGINAL

Decision No. 76400

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)	
SAN DIEGO GAS & ELECTRIC COMPANY, a)	
Corporation, for a deviation from)	Application No. 51366
the competitive bidding rule in)	Filed September 16, 1969
Decision No. 38614 as amended by)	
Decision Nos. 49941 and 75556.)	

Chickering & Gregory, by Sherman Chickering, C. Hayden Ames
and Donald J. Richardson, Jr., for applicant.
Sidney J. Webb, for the Commission staff.

O P I N I O N

San Diego Gas & Electric Company seeks an order of the Commission exempting from the competitive bidding rule a proposed issue, or issues, of not exceeding \$50,000,000 aggregate principal amount of the company's debt securities.

After due notice, a public hearing in the above-entitled matter was held before Examiner Donovan in San Francisco, on October 27, 1969, at the conclusion of which the matter was taken under submission. The Commission has received no protests in the proceeding.

The application sets forth reasons for the requested exemption, as follows:

"Applicant plans to make an issue of debt securities within the next six months. Because of the state of the market for debt securities at this time, and because this current condition may reasonably be anticipated to be still in effect for some time, Applicant believes that it may be in the public interest that the terms of the above mentioned debt security issue be negotiated rather than be subject to competitive bidding. Applicant believes that a waiver of the competitive bidding rule, insofar as the proposed debt security issue is concerned, would place Applicant in a position so as to take advantage of short term fluctuations in the money market, by either negotiating terms or opening the issue to competitive bids based on the market at the time."

The Commission, recognizing the state of the market for debt securities, has exempted such securities from its competitive bidding rule in recent decisions, as follows:

<u>Decision</u> <u>Number</u>	<u>Date</u>	<u>Application</u> <u>Number</u>	<u>Name of Company</u>	<u>Principal</u> <u>Amount</u>
75598	4-29-69	50891	California-American Water Company	\$ 20,000,000
75725	6- 3-69	51006	Southwest Gas Corp.	8,000,000
76189	9-16-69	51336	Southern California Edison Company	100,000,000

After consideration of the record in this proceeding, and noting the absence of any opposition, we find that the sale of the proposed debt securities should not be required to be at competitive bidding. On the basis of this finding we conclude that the application should be granted.

The action taken herein is not to be construed as an indication that the Commission will grant an application seeking authority to issue and sell said debt securities. Among other things, such application must contain evidence that the terms and conditions of the proposed offering, or offerings, will be reasonable in the light of market conditions prevailing at the time of filing.

O R D E R

IT IS ORDERED that the issue and sale by San Diego Gas & Electric Company of not exceeding \$50,000,000 aggregate principal amount of its debt securities are hereby exempted from the Commission's competitive bidding rule set forth in Decision No. 38614, dated January 15, 1946, as amended.

The effective date of this order is the date hereof, and the exemption herein granted will expire on June 30, 1970.

Dated at San Francisco, California,
this 12th day of NOVEMBER, 1969.

William J. Lyons, Jr.
President
George J. ...
Robert J. ...
John ...
Vernon L. ...
Commissioners