

Decision No. 78278

ORIGINAL

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 \$150,000,000 aggregate principal)
 amount of its First and Refunding)
 Mortgage Bonds, Series WW, due)
 June 1, 2003, and to use the proceeds)
 thereof for the purposes stated in)
 this petition.)

Application No. 52411
 Filed January 20, 1971

O P I N I O N

Pacific Gas and Electric Company requests an order of the Commission authorizing it to issue and sell \$150,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series WW, due June 1, 2003.

The utility intends to use the net bond proceeds (exclusive of accrued interest) for repaying short-term notes, to reimburse its treasury, in part, on account of capital expenditures made on or prior to October 31, 1970, and/or to pay, in part, the cost of additions to, extensions of, and betterments or improvements to its plants, properties and facilities made or to be made subsequent to October 31, 1970, and to use the accrued interest for general corporate purposes.

The company reports that as of October 31, 1970, its unreimbursed capital expenditures amounted to \$1,778,633,343. Applicant estimates that for the year 1971 its capital expenditures will approximate \$485,000,000. Its reported capitalization percentages as of December 31, 1970, adjusted to give effect to the proposed bond issue, are as follows:

Long-term debt	55%
Preferred stock	9
Common stock equity	<u>36</u>
Total	100%

Applicant intends to sell its new bonds at competitive bidding, the successful bid to determine the interest rate. They will be subject to a restrictive redemption provision until June 1, 1976.

After consideration the Commission finds that:

1. The proposed bond issue is for proper purposes.
2. Applicant has need for external funds 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, 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 Gas and Electric Company may invite the submission of written sealed bids for the purchase of not exceeding \$150,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series WW, due June 1, 2003, 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 \$150,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series WW, due June 1, 2003, 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 net proceeds to be derived through the issuance and sale of said bonds for the purposes set forth in the application.

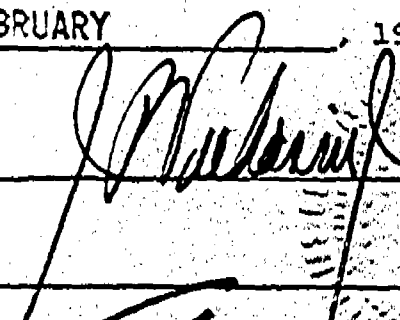
4. Promptly after awarding the contract for the sale of said bonds, Pacific Gas and Electric Company shall file with the Commission a written report showing, as to each bid received, the name of the bidder, the price, the interest rate, and the cost of money to applicant based upon said price and interest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

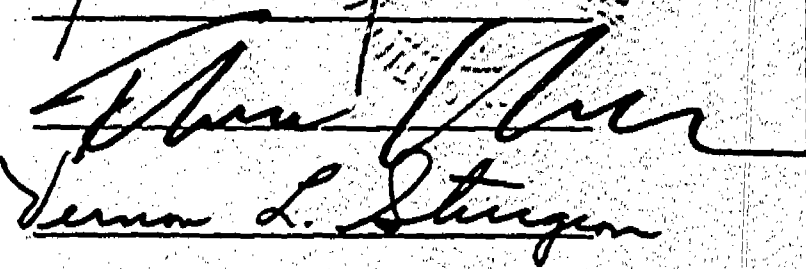
5. Within thirty days after issuing and selling the bonds herein authorized, Pacific Gas and Electric Company shall file with the Commission three copies of its prospectus pertaining to the bonds.

6. Within two months after selling the bonds herein authorized, 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 it used the bond proceeds.

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 \$81,000.

Dated at San Diego, California,
this 9th day of FEBRUARY, 1971.



Chairman


Vernon L. Sturgeon