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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)

CALIFORNIA-PACIFIC UTILITIES)
COMPANY)

for an order authorizing it to)
issue and sell \$3,000,000)
principal amount of its First)
Mortgage Bonds, Series T, 7.95%)
due April 1, 2003, and to execute)
a Twenty-First Supplemental)
Indenture to be dated as of)
April 1, 1973, supplemental to)
its First Mortgage Indenture)
dated as of July 1, 1944.)

Application No. 53879
(Filed March 7, 1973)

O P I N I O N

California-Pacific Utilities Company seeks authority to issue and sell \$3,000,000 principal amount of its bonds, and to execute and deliver a supplemental indenture.

Applicant is a California corporation owning and operating electric, gas, water and telephone systems in California and Nevada; electric, gas and telephone systems in Oregon; and electric systems in Arizona and Utah. The company is also engaged in the nonutility sale of propane in Oregon. For the 12 months ended December 31, 1972, the utility reports total operating revenues and net income of \$31,208,506 and \$3,487,018, respectively. The corporation's reported capital ratios as of December 31, 1972, and as adjusted to give effect to the proposed \$3,000,000 bond issue, are summarized from the application as follows:

	<u>December 31, 1972</u>	<u>Pro forma</u>
Long-term debt	55.4%	57.3%
Preferred stock	6.3	6.0
Common stock equity	<u>38.3</u>	<u>36.7</u>
Total	<u>100.0%</u>	<u>100.0%</u>

The application indicates that the utility's outstanding notes, representing short-term bank loans incurred for construction purposes, aggregated \$3,600,000 at the time of filing. The company reports unreimbursed construction expenditures aggregating \$23,663,196 as of December 31, 1972. It expects to expend approximately \$14,252,545 for additions and betterments to its properties during the year 1973.

In order to obtain funds for the repayment of outstanding short-term notes, applicant proposes to issue and sell \$3,000,000 principal amount of its First Mortgage Bonds, Series T, 7.95%, due April 1, 2003. The bonds would be secured by an existing indenture as heretofore supplemented and as further supplemented by a proposed Twenty-First Supplemental Indenture. The company intends to sell said bonds at a price of 100% of their principal amount plus accrued interest to three institutional investors, and has agreed to pay Dean Witter & Co. Incorporated a fee of \$15,000 for placing the bonds. A ten-year restricted redemption provision would apply to the proposed bond issue.

After consideration the Commission finds that:

1. The proposed bond issue is for a proper purpose.
2. Applicant has need for external funds for the purpose of repaying bank loans.

3. The proposed restricted redemption provision is reasonable.
4. The proposed Twenty-First Supplemental Indenture would 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 purpose specified herein, which purpose, except as otherwise authorized for accrued interest, is 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

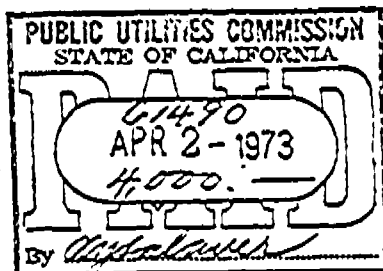
IT IS ORDERED that:

1. California-Pacific Utilities Company may execute and deliver its Twenty-First Supplemental Indenture in substantially the same form as Exhibit B attached to the application.
2. California-Pacific Utilities Company may issue and sell not exceeding \$3,000,000 principal amount of its First Mortgage Bonds, Series T, 7.95%, due April 1, 2003, upon substantially the terms and conditions set forth in Exhibit C attached to the application.
3. California-Pacific Utilities Company shall repay bank loans from the net proceeds, other than accrued interest, to be derived from the bonds herein authorized. The accrued interest may be used for said purpose or for general corporate purposes.

4. California-Pacific Utilities Company shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

5. This order shall become effective when California-Pacific Utilities Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$4,000.

Dated at Los Angeles, California, this 27th day of MARCH, 1973.



Vernon L. Stenger
President
William J. ...
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Commissioners