

LAM

Decision No. 82568

ORIGINAL

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)
authority to issue and sell)
its short-term promissory notes)
in an aggregate principal amount)
at any one time outstanding)
not exceeding \$80,000,000 in)
addition to that amount)
otherwise authorized by Public)
Utilities Code Section 823.)

Application No. 55172
(Filed September 16, 1974)

O P I N I O N

San Diego Gas & Electric Company seeks authority to issue evidences of indebtedness aggregating not exceeding \$80,000,000 at any one time outstanding in addition to that otherwise authorized by Section 823 of the Public Utilities Code.

For temporary financing of its construction program, applicant has arranged to issue not exceeding \$75,000,000 of short-term promissory notes at any one time outstanding pursuant to lines of credit with various banks, which notes would bear interest at the prime rate of such banks. Also, the utility contemplates issuing for the same purpose not exceeding \$30,000,000 of commercial paper at any one time outstanding. Authority under both arrangements would be suspended if, after giving effect to the proposed issue, the unused bank loan commitment would be less than 50% of outstanding commercial paper.

In addition, the company proposes to enter into a Credit Agreement with various banks for the borrowing of not exceeding \$30,000,000. at any one time outstanding in the form of Eurodollar Loans, if available, with interest payable at the rate of 1% in excess of the London Interbank Offered Rate for United States dollar deposits until September 15, 1975 and an additional 1/8% thereafter. If the borrowings would be in the form of Domestic Dollar Loans, interest would be payable at the prime rate of Bank of America National Trust and Savings Association until September 15, 1975 and an additional 1/4% thereafter. The proceeds of the borrowings under the Credit Agreement would be used to retire outstanding commercial paper which cannot be renewed or replaced.

Applicant proposes to repay the indebtedness from internally generated funds and from the sale of additional securities.

After consideration the Commission finds that:

(1) the proposed evidences of indebtedness would be for proper purposes; (2) the money, property or labor to be procured or paid for by the evidences of indebtedness herein authorized is reasonably required for the purposes specified herein; and (3) such purposes 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

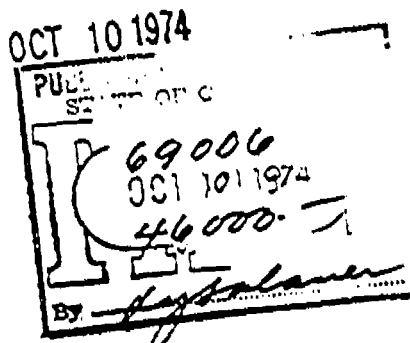
IT IS ORDERED that:

1. San Diego Gas & Electric Company, on or after the effective date hereof and on or before October 15, 1975, for the purposes specified in this proceeding, may issue evidences of indebtedness in the aggregate principal amount of not exceeding \$80,000,000 at any one time outstanding, in addition to those otherwise authorized by Section 823 of the Public Utilities Code. The terms of the evidences of indebtedness shall be consistent with those contemplated by the application.

2. On or before the tenth day of each month San Diego Gas & Electric Company shall file with the Commission a summary for the preceding month showing the aggregate amount of evidences of indebtedness issued for construction purposes and debt renewals, retirements and end-of-month balances, segregated as to commercial paper and bank loans. The filing shall be in lieu of reports under General Order No. 24-B.

3. This order shall become effective when San Diego Gas & Electric Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$46,000.

Dated at San Francisco, California, this 5th day of OCTOBER, 1974.



[Signature] President

[Signature]

[Signature]

[Signature]

[Signature] Commissioners