

Decision No. 84782**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 \$175,000,000 aggregate)
 principal amount of its First and)
 Refunding Mortgage Bonds, Series 75A,)
 due June 1, 2007.)

Application No. 55829
 (Filed July 24, 1975)

O P I N I O N

Pacific Gas and Electric Company seeks authority to issue and sell \$175,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series 75A, due June 1, 2007.

The utility intends to use the net bond proceeds, exclusive of accrued interest, to reimburse its treasury for capital expenditures. The accrued interest would be used for general corporate purposes.

The application shows that the company's unreimbursed capital expenditures far exceed the amount of the proposed bond issue. Moreover, applicant estimates that for the year 1975 its capital expenditures will approximate \$650,000,000. Its reported capitalization percentages as of May 31, 1975, adjusted to give effect to the proposed bonds, are as follows:

Long-term debt	52.0%
Preferred stock	11.6
Common stock equity	<u>36.4</u>
Total	<u>100.0%</u>

Applicant intends to sell its new bonds at competitive bidding, the successful bid to determine the interest rate. They would be subject to a restricted redemption provision until June 1, 1980.

After consideration the Commission finds that:

1. The proposed bonds would be for proper purposes.
2. Applicant has need for external funds for the purposes set forth in the application.
3. The proposed restricted redemption provision is reasonable.
4. The money, property or labor to be procured or paid for by 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 \$175,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series 75A, due June 1, 2007.
2. Pacific Gas and Electric Company may issue and sell not exceeding \$175,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series 75A, due June 1, 2007, 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 (exclusive of accrued interest which it may use for general corporate purposes) to be derived through the issuance and sale of said bonds to reimburse its treasury for capital expenditures.

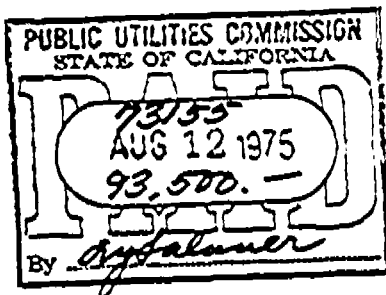
4. Promptly after awarding the contract for the sale of said bonds, Pacific Gas and Electric Company shall file with the Commission a written report showing, as to each bid received, the name of the bidder, the price, the interest rate, and the cost of money based upon said price and interest rate.

5. As soon as available, Pacific Gas and Electric Company shall file with the Commission three copies of its final prospectus pertaining to said bonds.

6. Within one month 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 \$93,500.

Dated at San Francisco, California, this 12th day of August, 1975.



President

Vernon L. ...

Commissioners