

LSC

ORIGINAL

Decision No. 85246

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)
its short-term promissory notes in an)
aggregate principal amount of not)
exceeding \$115,000,000 in addition to)
that amount otherwise authorized by)
Public Utilities Code Section 823.)

Application No. 56083
(Filed November 21, 1975)

O P I N I O N

San Diego Gas & Electric Company seeks authority to issue evidences of indebtedness aggregating not exceeding \$115,000,000 at any one time outstanding in addition to the amount otherwise authorized by Section 823 of the Public Utilities Code.

By Decision No. 83568, dated October 8, 1974, as modified by Decision No. 85060, dated October 28, 1975, in Application No. 55172, the Commission authorized San Diego Gas & Electric Company to issue evidences of indebtedness aggregating 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 present application seeks authority to extend the term and increase the amount of its short-term borrowing authorization in order to obtain adequate temporary financing of additions to and extensions of its utility plant.

Applicant anticipates that it will be necessary for it to borrow from time to time on a short-term basis prior to December 31, 1977, up to \$145,000,000. According to the application, such amount approximates but does not exceed the \$115,000,000 for which the utility is now seeking authority

plus the aggregate principal amount of such short-term borrowings otherwise authorized by Section 323 of the Public Utilities Code. The proposed loans will be evidenced by short-term promissory notes in principal amounts up to \$100,000,000 at any one time outstanding pursuant to lines of credit with various banks and bearing interest at 1.2 times the prevailing prime rate of such banks, plus an annual fee of 1/2 of 1% of the unused portion of the lines of credit. Also, the utility contemplates issuing for the same purpose not exceeding \$45,000,000 of commercial paper at any one time outstanding.

For the purpose of supporting and, if necessary, replacing all or a portion of its commercial paper, applicant has negotiated an additional standby line of credit with various banks at an annual fee of 1/2 of 1% of the unused portion of the line of credit. Such line of credit provides for eurodollar loans to the extent available, at the rates of 1-1/8% (for loans up to \$30,000,000) and 1-1/4% (for loans from \$30,000,000 up to \$45,000,000) in excess of the London Interbank Offered Rate for United States dollar deposits. If eurodollar loans are determined to be unavailable, borrowings would be in the form of domestic dollar loans at 1/4% in excess of the prime rate of the agent bank.

Applicant proposes to repay such borrowings from time to time out of funds available from internal sources 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 December 31, 1977, for the purposes specified in this proceeding, may issue evidences of indebtedness in the aggregate principal amount of not exceeding \$115,000,000 at any one time outstanding in addition to the amount otherwise authorized pursuant to Section 823 of the Public Utilities Code. The terms and conditions 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 \$23,500.

A-56083 LSC

Dated at San Francisco, California, this 16th day
of DECEMBER, 1975.

[Signature] President
William J. Synovius
Veronica L. Stinson
[Signature]
Robert [Signature] Commissioners

