

CACD/BVC

Decision 89 01 013 JAN 11 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND)
ELECTRIC COMPANY to issue, sell and)
deliver one or more series of its)
First and Refunding Mortgage Bonds,)
debentures, promissory notes and/or)
other evidences of indebtedness in)
connection with domestic or)
Euromarket offerings; to guarantee)
the obligations of others in respect)
of the issuance of securities, the)
total aggregate principal amount of)
such issuances and guarantees not to)
exceed \$1,000,000,000; and to issue)
one or more series of its Preferred)
Stock with an aggregate par value)
not exceeding \$200,000,000. (U39M)

Application 87-10-010
(Filed October 13, 1987)

Petition for Modification
(Filed November 3, 1988)

SUPPLEMENTAL OPINION

Summary of Decision

This decision grants Pacific Gas and Electric Company (PG&E) the authority requested in its petition for modification.

Notice of the filing of the petition for modification appeared on the Commission's Daily Calendar on November 3, 1988.

No protests have been received.

PG&E, a California corporation, operates as a public utility subject to the jurisdiction of this Commission. PG&E generates, purchases, transmits and sells electricity and purchases, transports, distributes and sells natural gas to 47 counties in Central and Northern California. The company also provides a small amount of incidental water and steam services.

By Decision No. (D.) 87-12-002, dated December 9, 1987, in Application No. 87-10-010, the Commission authorized PG&E (among other things) to issue and sell, before December 31, 1988, up to \$1,000,000,000 aggregate principal amount of Debt

Securities and up to \$200,000,000 aggregate principal amount of Preferred Stock.

PG&E has stated that an aggregate principal amount of \$925,000,000 of the Debt Securities and none of the Preferred Stock authorized by D.87-12-002 have been issued. PG&E has also stated that it currently forecasts utilizing the remaining Debt Securities authorization in 1989-1990. For this reason, PG&E wants to maintain the authorization to issue the remaining \$75,000,000 aggregate principal amount of Debt Securities after December 31, 1988. PG&E has also stated that it has no present plans to issue additional Preferred Stock. However, to maintain financing flexibility, PG&E wants to maintain the authorization to issue the remaining \$200,000,000 of Preferred Stock after December 31, 1988.

Capital Ratios

PG&E's stipulated capital ratios for 1989 and Pro-forma exercising all outstanding authority as stated above are shown below:

<u>Components</u>	<u>Stipulated PG&E Capital Structure</u>	
	<u>1989</u>	<u>Pro Forma</u>
Long-Term Debt	46.25%	51.1%
Preferred Stock	7.00	7.4
Common Equity	<u>46.75</u>	<u>41.5</u>
Total	100.00%	100.0%

The pro forma capital ratios (as reported above) include the maximum amount of securities issued and do not include any future additions to retained earnings. In addition, due to the uncertain timing of the issuances of the debt, preferred stock and common stock previously authorized and the future economic feasibility of redeeming or refunding of PG&E's debt and preferred stock securities, PG&E has stated that the pro forma capital ratios may not be achieved. Attachment 1 contains a listing of current financing authorizations, including decision number, original amount, remaining amount to be issued (as of 9/30/88), and expiration date of authority.

Modification Sought

PG&E requests that the Commission extend the time period of the authorization granted by D.87-12-002 to expire December 31, 1990, instead of December 31, 1988.

Findings of Fact

1. PG&E, a California corporation, operates as a public utility subject to the jurisdiction of this Commission.
2. Granting PG&E an extension of the time period of authorization as set forth in this decision would not be adverse to the public interest.
3. There is no known opposition to the proceeding and there is no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.
2. The petition for modification should be granted to the extent set forth in the supplemental order that follows.

The following supplemental order should be effective on the date of signature.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. The authority granted to Pacific Gas and Electric Company by Decision No. (D.) 87-12-002, dated December 9, 1987, in Application No. 87-10-010, is modified to extend the time period of authorization as set forth in this decision.

2. The petition for modification is granted as set forth above.

In all other respects, D.87-12-002 remains in full force and effect.

This supplemental order is effective today.

Dated JAN 11 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
JOHN B. CHANLAN
Commissioners

Commissioner Stanley W. Hulet
being necessarily absent, did
not participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

Victor W. Warner
Victor Warner, Executive Director

<u>Debt/Common Equity/Preferred</u>	<u>Decision No.</u>	<u>Original Amount</u>	<u>Remaining Amount To Be Issued As Of 9/30/88</u>	<u>Decision Expiration</u>
Debt	88-04-063	\$1,000,000,000	\$1,000,000,000	December 31, 1989
Debt	87-12-002	\$1,000,000,000	\$ 75,000,000	December 31, 1988
Debt	87-03-069	\$1,000,000,000	\$ 281,350,000	December 31, 1988
Debt (Revolving Credit)	86-08-051 87-05-045	\$1,000,000,000	\$1,000,000,000(1)	1994
Debt	82-12-008	\$ 73,500,000(2)	\$ 101,773,044	No Expiration
Short-Term Debt	87-09-056	\$1,292,638,219	\$1,582,004,319(3)	No Expiration
Preferred Stock	87-12-002	\$ 200,000,000	\$ 200,000,000	December 31, 1988
Preferred Stock	84-07-116	\$ 75,000,000	\$ 75,000,000	No Expiration
Common Equity (Shelf Registration)	85-08-098 88-04-047	14,000,000 shares	9,447,900 shares	December 31, 1989
Common Equity (Savings Fund Plan)	88-03-050	20,000,000 shares	17,003,046 shares	December 31, 1990
Common Equity (Dividend Reinvestment Plan)	87-08-035	20,000,000 shares	7,571,284 shares	No Expiration
Common Equity (Stock Option Plan)	86-10-043	1,500,000 shares	1,500,000 shares(4)	April 31, 1996

Footnotes:

- (1) Credit lines of \$640 million have been established. None of these lines have been used.
- (2) Increased to \$136 million in Decision No. 86-08-024.
- (3) The \$1,292,638,219 authorized by Decision No. 87-09-056 is in addition to the 5% allowed by PU Code Section 823(c) (\$548,240,100 as of September 30, 1988), less short-term borrowings outstanding as of September 30, 1988.
- (4) Options for 176,650 shares have been granted as of September 30, 1988.