

ORIGINALDecision No. 87165

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND
ELECTRIC COMPANY to issue and
sell through competitive bidding
\$200,000,000 aggregate principal
amount of its First and Refunding
Mortgage Bonds, Series 77A, due
February 1, 2009.

Application No. 57150
(Filed March 17, 1977)

O P I N I O N

Pacific Gas and Electric Company seeks authority to issue and sell through competitive bidding \$200,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series 77A, due February 1, 2009.

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 1977 its capital expenditures will approximate \$640,000,000. Its reported capitalization percentages as of December 31, 1976, adjusted to give effect to 4,000,000 shares of \$25 par value preferred stock issued in March, 1977 and to the proposed bonds, are as follows:

Long-term debt	48.9%
Preferred stock	14.4
Common stock equity	<u>36.7</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, 1982.

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.
5. There is no known opposition and there is no reason to delay granting the relief requested.

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 issue and sell not exceeding \$200,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series 77A, due February 1, 2009, at competitive bidding to the purchaser, or purchasers, offering to it the most favorable terms as disclosed by the bids received.

2. 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.

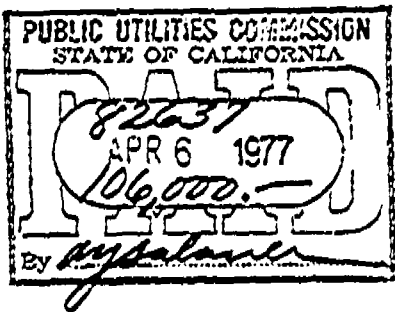
3. Promptly after awarding the contract for the sale of said bonds Pacific Gas and Electric Company shall file with the Commission a written report showing, as to each bid received, the name of the bidder, the price, the interest rate, and the cost of money based upon said price and interest rate.

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

5. 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 24-B, disclosing the purposes for which it used the bond proceeds.

6. 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 \$106,000.

Dated at Sacramento, California, this 5th day of APRIL 4, 1977.



Robert Bateman
President
William A. ...
Vernon L. ...
Robert ...
Richard D. ...
Commissioners