

A.57682 PAJ

amounts to \$235,515,000 of which \$153,004,000 has been spent through the first nine months of the year. A classification of the budgeted construction follows:

| <u>Description</u> | <u>Amount</u> |
|--|----------------------|
| Electric Production | \$151,450,000 |
| Electric Transmission | 14,428,000 |
| Electric Distribution | 51,708,000 |
| Gas Production, Transmission and Distribution | 15,146,000 |
| Steam Department | 50,000 |
| Common Plant | <u>2,733,000</u> |
| Total | <u>\$235,515,000</u> |

The utility reports that as of September 30, 1977, unreimbursed construction expenditures totaled \$77,566,545 as set forth in the following summary:

| <u>March 31, 1921 to September 30, 1977</u> | <u>Amount</u> |
|---|------------------------|
| Net Construction Expenditures | \$1,427,400,595 |
| Par Value of Redeemed Securities | <u>128,257,300</u> |
| Total | <u>\$1,555,657,895</u> |
| Deductions: | |
| Amount Not Bondable Per Decision No. 10032 | \$ 45,116 |
| Proceeds from Sale of Bonds and Notes | 738,365,432 |
| Proceeds from Sale of Debentures | 34,598,022 |
| Proceeds from Sale of Preferred Stock | 199,493,982 |
| Proceeds from Sale of Common Stock | 198,280,808 |
| Depreciation Reserve | <u>307,307,990</u> |
| Total | <u>\$1,478,091,350</u> |
| Unreimbursed Construction as of September 30, 1977 | <u>\$ 77,566,545</u> |

By Decision No. 85246, dated December 16, 1975, in Application No. 56083, the Commission authorized SDG&E to issue evidences of indebtedness in the aggregate principal amount of not exceeding \$115,000,000 at any one time outstanding in addition to those otherwise authorized by Section 823(c) of the Public Utilities Code.

SDG&E requests authority in the present application to extend the term and increase the amount of its short-term borrowing in order to obtain adequate temporary financing of additions and extensions of its utility plant. The company anticipates it will be necessary for it to borrow from time to time on a short-term basis prior to December 31, 1980, up to \$225,000,000. The application indicates that this amount approximates but does not exceed the \$185,000,000 for which SDG&E is presently requesting authority plus the aggregate principal amount of such short-term borrowings otherwise authorized by Section 823(c) of the Public Utilities Code.

As of September 30, 1977, the amount of notes which could be issued by SDG&E pursuant to Section 823(c) was approximately \$42,300,000. The proposed short-term promissory notes in an aggregate principal amount of not exceeding \$185,000,000 would, therefore, include an amount of \$142,700,000 beyond that authorized by Section 823(c).

The proposed loans will be evidenced by short-term promissory notes in principal amounts up to \$125,000,000 at any one time outstanding issued pursuant to lines of credit with various banks and bearing interest at 1.12 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, SDG&E contemplates issuing for the same purpose commercial paper in an amount at any one time outstanding not exceeding \$100,000,000.

SDG&E proposes to repay such borrowings from time to time out of funds available from internal sources and the sale of additional securities.

The Operations Division has reviewed the application in conjunction with SDG&E's construction program and has concurred with the Finance Division's conclusion that the proposed financing is necessary to implement the company's construction program. The Operations Division reserves the right, however, to reconsider the reasonableness of any construction expenditures in future rate proceedings.

After consideration the Commission finds that: (1) the proposed notes and commercial paper would be for proper purposes; (2) the money, property or labor to be procured or paid for by the notes and commercial paper 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. There is no known opposition and no reason to delay granting the authority requested in the application. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The action taken herein shall not be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates, nor as indicative of the action the Commission would take on an application, or applications for permanent financing.

O R D E R

IT IS ORDERED that:

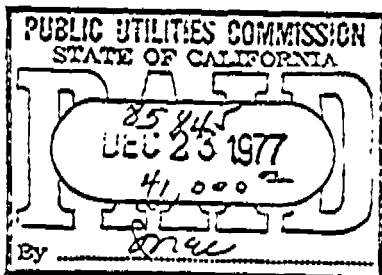
1. San Diego Gas & Electric Company, on or after the effective date hereof, and on or before December 31, 1979, for the purposes set forth in the application, may issue promissory notes and commercial paper, in the aggregate principal amount of not

exceeding \$185,000,000 at any one time outstanding, in addition to that otherwise authorized pursuant to Section 823(c) of the Public Utilities Code.

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 promissory notes and commercial paper issued hereunder and the purposes for which they were issued. 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 \$41,000.

Dated at San Francisco, California, this 20th day of DECEMBER, 1977.



Robert Batiminski
President

William Quinn, Jr.

Vernon L. Sturgeon

Richard A. Swale

Commissioners

Commissioner Claire T. Dodrick, being necessarily absent, did not participate in the disposition of this proceeding.