

DM

Decision No. 13750.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC GAS AND ELECTRIC COMPANY,)
 a corporation, for an order of the)
 Railroad Commission of the State of)
 California authorizing applicant to)
 issue, sell and deliver its common)
 capital stock to the par value of)
 \$5,000,000. and to use the proceeds)
 from the sale of said common capital)
 stock in the manner and for the pur-)
 poses set forth herein.)

ORIGINAL

Application Number 10182

C. P. Cutten, for Applicant

BY THE COMMISSION:

OPINION

In this application, as amended at the hearing held before Examiner Fankhauser, Pacific Gas and Electric Company asks permission to issue and sell, at not less than \$92.00 per share, 50,000 shares of its common capital stock of the aggregate par value of \$5,000,000. and to use the proceeds for the purpose of paying in part the cost of the extensions, additions, betterments and improvements to its facilities and to those of Mt. Shasta Power Corporation described in Exhibit No. 2 filed in this proceeding.

Pacific Gas and Electric Company reports that it has an authorized capital stock of \$160,000,000., divided into \$79,900,000. of first preferred stock, \$100,000. of original preferred stock and \$80,000,000. of common stock. As of March 31, 1924 applicant reports outstanding in the hands of the public

\$54,453,649.41 of the first preferred stock, \$10,500.00 of the original preferred stock and \$35,630,831.67 of the common stock; a total of \$90,094,981.08. In addition, the application shows that \$31,696,866.66 of common stock has been issued and is held by San Francisco Gas and Electric Company, a corporation, the stock of which, excepting nineteen shares, in turn, is held by Pacific Gas and Electric Company. The company's bonded indebtedness outstanding in the hands of the public, as of the same date, is reported as \$129,373,100.00, which amount includes \$86,542,000.00 of Pacific Gas and Electric Company bonds and \$42,831,100.00 of bonds of subsidiary companies. In addition to the \$129,373,100.00 it reports \$34,515,000.00 of bonds hypothecated, \$10,656,800.00 of bonds held in sinking funds and \$519,500.00 alive in the treasury.

Reports filed by the company under General Order No. 65 show the consolidated income account of Pacific Gas and Electric Company and Mt. Shasta Power Corporation for the twelve months periods ending March 31st as follows:-

ITEM	1922	1923	1924
OPERATING REVENUES:			
Electric	\$22,331,207.91	\$23,982,382.96	\$24,405,257.86
Gas	12,814,536.70	12,811,109.58	13,832,386.03
Other	1,878,066.77	2,112,078.19	2,052,842.25
TOTAL.....	37,023,811.38	38,905,570.73	40,290,486.14
OPERATING EXPENSES INCLUDING DEPRECIATION			
Net operating revenues	9,726,945.98	12,263,919.54	12,424,167.85
Nonoperating revenues	638,935.78	579,411.36	681,396.88
Balance	10,365,881.76	12,843,330.90	13,105,564.73
Interest and fixed charges	5,257,193.24	5,801,411.50	6,587,507.78
Balance.....	5,108,688.52	7,041,919.40	6,518,056.95
Miscellaneous adjustments.....	275,191.50	888,050.75*	58,913.31*
Surplus available for dividends.....	5,383,880.02	6,153,868.65	6,459,143.64
Preferred stock dividends.....	2,246,493.90	2,711,683.24	3,169,662.35
Balance.....	3,137,386.12	3,442,185.41	3,289,481.29
Common stock dividends	2,389,017.41	2,610,628.72	2,492,374.25
Surplus for Year... \$	748,368.71	\$ 831,556.69	\$ 797,107.04

*Deduction

During the last five years, regular six percent. dividends have been paid on the first preferred and original preferred stock. Dividends have been paid on the common stock at the rate of five percent. during 1919, 1920 and 1921, at the rate of 7-1/4 percent. during 1922 and at the rate of 8-1/4 percent. during 1923. The dividends during each of the last two years included a two percent. stock dividend.

Applicant has filed with the Commission in this proceeding a statement (Exhibit No. 2) in which it reports actual or estimated capital expenditures of \$27,280,293.77, against which the Commission has not authorized the issue of stocks or bonds, except as indicated. The amount is arrived at as follows:-

Unreimbursed capital expenditures at September 30, 1923 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation as per Exhibit "B" of Application Number 9545	\$7,262,793.42
Total construction expenditures from Sept. 30, 1923 to April 30, 1924 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation . . .	14,151,642.53
Unexpended balance of capital expenditures authorized at April 30, 1924 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation	23,384,554.87
Estimated cost of routine construction of Pacific Gas and Electric Company for balance of 1924 . .	4,500,000.00
TOTAL.....	<u>\$49,298,990.82</u>
LESS cash and accounts receivable for above capital expenditures at April 30, 1924--	
Proceeds from sales of applicants first preferred stock as set forth in App. No. 10182.....	371,311.95
Proceeds from sale of \$19,500 par value of first preferred stock as per Application No. 10182.....	18,037.50
Proceeds received from sale of property released from mortgage, per Exhibit "F" of Application No. 9545	866,847.60
Proceeds received from sale of \$10,000,000 face amount of First and refunding mortgage 5 1/2% gold bonds of Series "C" authorized by RR Commission Decision No. 12619.....	9,200,000.00
Proceeds received from sale of \$12,500,000 face amount of first and refunding mortgage 5 1/2% gold bonds of Series "C" authorized by RR Commission Decision No. 13417	<u>11,562,500.00</u>
Total available funds and accounts	<u>22,018,697.05</u>
Actual or estimated expenditures against which the RR Commission has not authorized the issue of any stock or bonds.....	<u>\$27,280,293.77</u>

O R D E R

Pacific Gas and Electric Company having applied to the Railroad Commission for permission to issue and sell \$5,000,000.00 of common stock, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue and sale, is reasonably required for the purpose or purposes specified herein and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income:-

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it is hereby, authorized to issue and sell at not less than \$92.00 per share, on or before June 30, 1925, 50,000 shares of its common capital stock of the aggregate par value of \$5,000,000.00 and to use the proceeds for the purpose of financing in part the cost of the extensions, additions, betterments and improvements to which reference is made in the foregoing opinion and in Exhibit No. 2 filed in this proceeding.

The authority herein granted is subject to further conditions as follows:-

1. The proceeds from the sale of the stock shall be used to finance only such expenditures as are properly chargeable to capital account under the classifications of accounts prescribed or adopted by this Commission.
2. Applicant shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month, a verified report, as required by the Railroad Commis-

