

Decision No. 13780

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)	
LOS ANGELES GAS AND ELECTRIC CORPORATION)	Application
for an order authorizing the issuance of)	Number
25,000 shares of common stock.)	10204

Paul Overton, for Applicant.

ORIGINAL

BRUNDIGE, Commissioner :

OPINION

Los Angeles Gas and Electric Corporation asks permission to issue 25,000 shares (\$2,500,000.00 par value) of common stock and deliver the same to the owners and holders of its common stock in the proportion which their stockholdings of such stock bear to the authorized and issued common stock.

Applicant has an authorized stock issue of \$30,000,000.00 divided into \$10,000,000.00 of preferred and \$20,000,000.00 of common. Of the preferred \$7,273,400.00, and of the common \$10,000,000.00 was outstanding June 1, 1924. Of the common stock \$9,990,000.00 is owned by the Pacific Lighting Corporation.

As of June 1, 1924 applicant reports an accumulated surplus of \$3,883,877.89 consisting of \$943,333.33 of appropriated and \$2,940,544.56 of unappropriated surplus. Its reserve for accrued depreciation is reported at \$7,364,085.18. It is of record that all of applicant's surplus is invested in its properties and business. Applicant asks permission to capitalize \$2,500,000.00 of its surplus through the issue of common stock, leaving a balance of \$1,383,877.89. Applicant proposes to transfer to its capital stock account the

✓ \$943,333.33 of appropriated surplus and \$1,556,666.67 of its un-appropriated surplus. It is doubtful whether the \$943,333.33 of appropriated surplus represents in its entirety earned surplus. We believe that this amount should be transferred to applicant's un-appropriated surplus account and that thereafter \$2,500,000.00 of the unappropriated surplus should be transferred to applicant's capital stock account through the issue of the \$2,500,000.00 of common stock. The testimony and reports on file with the Commission show that applicant has invested more than \$2,500,000.00 obtained from earnings in its property and business. It may properly be permitted to issue \$2,500,000.00 of its common stock to reimburse its treasury and to distribute such stock as a dividend to its stockholders.

I herewith submit the following form of order :-

O R D E R

Los Angeles Gas and Electric Corporation, having applied to the Railroad Commission for permission to issue \$2,500,000.00 of its 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 the issue of such stock is reasonably required by applicant and that this application should be granted as herein provided,

IT IS HEREBY ORDERED that LOS ANGELES GAS AND ELECTRIC CORPORATION be, and it is hereby, authorized to issue at not less than par on or before October 1, 1924, 25,000 shares (\$2,500,000.00 par value) of its common stock, for the purpose of reimbursing its treasury because of earnings expended for the acquisition of properties. Such stock, after the reimbursing of applicant's treasury, may, according to law, be distributed to applicant's stockholders as a stock



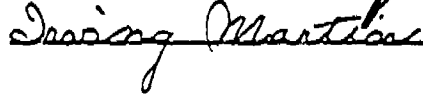
dividend.

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

1. Los Angeles Gas and Electric Corporation 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 Commission's General Order Number 24, which order, in so far as applicable, is made a part of this order.
2. The authority herein granted will become effective upon the date hereof.

The foregoing Opinion and Order is hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 7th day of July, 1924.

Commissioners.