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Decision No. 13910.

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
\$5,000,000.00, and to use the pro-
ceeds from the sale of its common
capital stock in the manner and for
the purposes set forth herein.

ORIGINAL

Application Number 10361

C. P. Cutten, for Applicant.

MARTIN, Commissioner:

O P I N I O N

In this application the Railroad Commission is asked to make an order authorizing Pacific Gas and Electric Company to issue and sell at not less than \$93. a share, 50,000 shares of the common capital stock of the aggregate par value of \$5,000,000.00, for the purpose of paying in part the cost of extensions, additions, betterments and improvements to its plants and properties and to those of Mt. Shasta Power Corporation.

On June 25, 1924 Pacific Gas and Electric Company filed with the Commission as Exhibit No. 2 in Application Number 10182, a statement showing the unreimbursed capital expenditures of Pacific Gas and Electric Company and Mt. Shasta Power Corporation on September 30, 1923, the subsequent capital expenditures for the two companies to and including April 30, 1924, and the reimbursement authorized and made for the period from September 30, 1923 to April 30, 1924. The statement also shows the unexpended balance of capital expenditures authorized at April 30, 1924 and the estimated cost of routine construction for the

balance of the year 1924.

In this statement the company reports actual or estimated capital expenditures of \$27,280,293.77, against which the Commission has not authorized the issue of stock or bonds except as indicated. The \$27,280,293.77 is determined in the following manner:-

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|---|-------------------------------|
| Unreimbursed capital expenditures at September 30, 1923 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation as per Exhibit "B" of Application No. 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 Application 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 Railroad 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 Railroad 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 Railroad Commission has not authorized the issue of any stocks or bonds | <u><u>\$27,280,293.77</u></u> |

By Decision Number 13750 dated July 1, 1924 in Application Number 10182, the Commission authorized the company to issue and sell \$5,000,000.00 of its common capital stock for the purpose of financing in part the reported expenditures of \$27,280,293.77. It is now reported that pursuant to authority granted in Decision Number 13750 the company offered its common stock to its stockholders at \$93. per share and that up to August 1, 1924, the time set for terminating the receipt of subscriptions, it had received subscriptions for approximately 70,000 shares of its common stock. To enable it to fill these subscriptions and to further finance in part the reported expenditures of \$27,280,293.77 the company now makes this request for permission to issue an additional \$5,000,000.00 of common stock.

Pacific Gas and Electric Company reports that it has an authorized capital stock of \$160,000,000.00 divided into \$79,900,000.00 of first preferred stock, \$100,000.00 of original preferred stock and \$80,000,000.00 of common stock. As of June 30, 1924 the company reports outstanding in the hands of the public \$54,464,411.91 of first preferred stock, including stock subscribed for but not fully paid or issued, and \$35,630,831.67 of common stock; a total of \$90,095,243.58 of stock.

Mt. Shasta Power Corporation has an authorized capital stock of \$10,000,000.00 divided into 100,000 shares of the par value of \$100. each, all shares being common. It appears that the entire authorized capital stock has been issued and is outstanding and that Pacific Gas and Electric Company owns all but director's shares.

I believe the application should be granted and herewith submit the following form of order:-

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 its common capital stock, a public hearing having been held and the Rail-

road Commission being of the opinion that the application should be granted as herein provided and that the money, property or labor to be procured or paid for through such issue is reasonably required for the purposes specified herein, and that the expenditures for such purposes 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 \$93.00 per share, 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 Application Number 10182.

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

1. The proceeds from the sale of the stock herein authorized 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 Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.

3. The authority herein granted will become effective upon the date hereof. Under such authority no stock may be issued, sold or delivered subsequent to July 31, 1925.

The foregoing Opinion and Order are 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 12th day of August, 1924.

Clarence
H. Brundage
Dwight Martin

Commissioners.