

Decision No. 14409

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)
reimburse its treasury for capital)
expenditures and to finance the con-)
struction of additions, extensions,)
betterments and improvements, in the)
manner set forth herein.)

Application Number 10682

ORIGINAL

C. P. Cutten, for Applicant.

BY THE COMMISSION :

O P I N I O N

In this proceeding the Railroad Commission is asked to make an order authorizing applicant, Pacific Gas and Electric Company, to use proceeds obtained, or to be obtained, from the sale of stock or bonds, the issue of which the Commission has heretofore authorized, to pay, in part, the cost of construction expenditures on its system and on that of Mt. Shasta Power Corporation, a company whose outstanding stock, except shares necessary to qualify directors, is held by applicant.

In Application Number 9545, filed with the Commission on November 23, 1923, Pacific Gas and Electric Company reported unreimbursed capital expenditures of the two companies as of September 30, 1923 of \$7,262,793.42. This present application shows that during the period from October 1, 1923 to September 30, 1924 there was expended for the construction, completion, extension and improvement of applicant's facilities the sum of \$23,433,481.75 and for like purposes for Mt. Shasta Power Corporation, the sum of \$6,576,234.66, as shown in detail in construction statements filed monthly with the Commission.

The sum of these three items is \$37,272,509.83.

During the same period, from October 1, 1923 to September 30, 1924, applicant reports that it received from the sale of stock and bonds heretofore authorized by the Commission and from the sale of property released from the lien of its mortgages, the sum of \$27,630,524.31 which amount was used to finance in part the expenditures of \$37,272,509.83 leaving a balance of unreimbursed capital expenditures on September 30, 1924 of \$9,641,985.52.

The company now asks permission to use proceeds from the sale of stock and bonds to reimburse its treasury on account of the expenditures of \$9,641,985.52 and to finance the cost of estimated expenditures, as shown in the following tabulation :-

Unreimbursed capital expenditures at September 30, 1924 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation (Exhibit B)	\$ 9,641,985.52
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Unexpended balance of capital expenditures authorized at September 30, 1924 by Pacific Gas and Electric Company (Exhibit C and C-1)	10,448,701.84
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Estimated cost of new construction Pacific Gas and Electric Company for 1923 and 1924 (Exhibit D)	6,000,000.00
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Unexpended balance of capital expenditures authorized at September 30, 1924 by Mt. Shasta Power Corporation (Exhibit E)	7,461,630.27
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Total	<u>\$ 33,552,317.63</u>
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To meet these expenditures the company asks permission to use proceeds that it reports it has received, or expects to receive, from the sale of stock or bonds, the issue of which has heretofore been authorized, as follows :-

Receivable from sale of first preferred stock sold to September 30, 1924 :	
Application No. 6229	\$ 5,016.00
Application No. 6585	896.00
Application No. 7234	696.41
Application No. 7432	4,329.50
Application No. 8104	15,601.21
Application No. 8550	<u>16,536.70</u>

43,075.82

Receivable from sale of common stock sold to September 30, 1924 :	
Application No. 10182	\$623,260.59
Application No. 10361	<u>398,726.83</u>

1,021,987.42

Receivable from Sale of \$12,500,000. of Series C first and refunding bonds authorized in Application No. 10409

11,812,500.00

Total . . . \$12,877,563.24

Deducting the \$12,877,563.24 from the \$33,552,317.63 leaves a balance of \$20,674,754.39 which represents the excess of unreimbursed capital expenditures and construction expenditures authorized and estimated at September 30, 1924 over the accounts receivable and proceeds received from the sale of securities. However, in addition to the \$12,877,563.24 the company will receive the proceeds from the sale of \$2,821,400.00 of common authorized by Decision Number 13910 in Application Number 10361 but not sold up to September 30, 1924.

The Commission is of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted as provided in the following order :-

O R D E R

Pacific Gas and Electric Company, having applied to the Railroad Commission for permission to use the proceeds it has received or will receive from the sale of stock and bonds heretofore authorized to be issued by the Railroad Commission and the Railroad Commission being of the opinion that this is a matter in which a public hearing is not necessary 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 use the proceeds obtained or to be obtained from the sale of stock and bonds the issue of which has been authorized by the Commission in the proceedings to which reference is made in the foregoing opinion, to reimburse its treasury and to pay in part such cost of the extensions, additions, betterments and improvements to its facilities and to the facilities of Mt. Shasta Power Corporation described in Exhibits B, C, C-1, D and E, filed in this proceeding as is properly chargeable to capital account under the Uniform Systems of Accounts prescribed or adopted by the Commission.

IT IS HEREBY FURTHER ORDERED that the Order heretofore made in Applications Numbers 6229, 6585, 7234, 7432, 8104, 8550, 10182, 10361 and 10409, as such orders have heretofore been amended, shall remain in full force and effect except as modified by this order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 27th day of December, 1924.

C. Seary

J. W. Martin
Egerton Shore

J. L. Whitney

Commissioners.