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Decision No. 14767.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

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  
\$5,143,000.00, and to use the proceeds  
from the sale of said common capital  
stock in the manner and for the pur-  
poses set forth herein.

Application No. 10361

C. P. Cutten, for Applicant.

DECORO, Commissioner:

FIRST SUPPLEMENTAL OPINION

In its first supplemental application in the above entitled matter on April 1, 1925, Pacific Gas and Electric Company asks permission to issue and sell, at par, 1430 shares of its common capital stock, of the aggregate par value of \$143,000.00, for the purpose of paying in part the cost of extensions, additions, betterments and improvements to its facilities and to those of the Mt. Shasta Power Corporation, as described in Exhibits "C", "C-1", "D" and "E" attached to Application No. 10682.

By Decision No. 13910 dated August 12, 1924 the Commission authorized applicant to issue, sell and deliver on or before July 31, 1925, at not less than \$93 per share, 50,000 shares (\$5,000,000 par value) of its common stock. Following the authority granted, applicant offered said common stock for sale generally to the public, and received subscriptions for 51,430 shares (\$5,143,000 par value) of said stock. Of the 51,430 shares, 21,751 shares were sold

prior to December 31, 1924 at \$93 per share, while the remaining 29,679 shares were subscribed for at par.

The company proposes to sell the \$143,000 of stock at par and to use the proceeds to finance construction expenditures on its system and on that of Mt. Shasta Power Corporation. In Application No. 10682 filed on December 16, 1924, the company reported actual or estimated construction expenditures, not financed through the issue of stock or bonds as at September 30, 1924 as \$33,552,317.63, which amount was made up of the following items:-

Unreimbursed capital expenditures at September 30, 1924 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation (Exhibit B) . . . . .	\$9,641,985.52
Unexpended balance of capital expenditures authorized at September 30, 1924 by Pacific Gas and Electric Company (Exhibits C and C-1) . . . . .	10,448,701.84
Estimated cost of new construction, Pacific Gas and Electric Company, for 1924 and 1925 (Exhibit D) . . . .	6,000,000.00
Unexpended balance of capital expenditures authorized at September 30, 1924 by Mt. Shasta Power Corporation (Exhibit E) . . . . .	<u>7,461,630.27</u>
Total.....	<u>\$ 33,552,317.63</u>

By Decision No. 14409, dated December 27, 1924, in Application No. 10682 the Commission authorized the company to use the proceeds on hand, and the proceeds that would be received from the stock and bonds theretofore authorized, to finance in part such expenditures. These proceeds were estimated to amount to \$15,698,963.24, which sum, deducted from the \$33,552,317.63 leaves a balance of \$17,853,354.39 to be financed in part through the issue of the \$143,000 of stock.

I herewith submit the following form of order:-

FIRST SUPPLEMENTAL ORDER

Pacific Gas and Electric Company having applied to the Railroad Commission for permission to issue and sell \$143,000 of its common capital 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 through such issue and sale 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 expense or to income,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it is hereby, authorized to issue and sell on or before July 31, 1925 at not less than par, 1430 shares of its common capital stock of the aggregate par value of \$143,000 and to use the proceeds to pay 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 "C", "C-1", "D" and "E" attached to Application No. 10682.

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

1. Only such expenditures as are properly chargeable to fixed capital accounts as defined by the Uniform Systems of Accounts prescribed or adopted by this Commission may be financed through the use of such proceeds.
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.

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

DATED at San Francisco, California, this 10<sup>th</sup> day of April, 1925.

W. B. Brundage

Chas. J. O'Leary

Ernest S. Shore

George D. Squires

Francis J. O'Connell

Commissioners.