

LEM

Decision No. 14790

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  
\$2,357,000. 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 No. 10855.

C. P. Catten and R. W. DuVal, by  
R. W. DuVal, for applicant.

DECOTO, Commissioner.

O P I N I O N

In this application Pacific Gas and Electric Company asks permission to issue and sell, at not less than par, 23,570 shares of its common capital stock, of the aggregate par value of \$2,357,000. for the purpose of financing in part the cost of extensions, additions, betterments and improvements to its plants and properties and to those of Mt. Shasta Power Corporation.

The application shows that Pacific Gas and Electric Company 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. On December 31, 1924 there was outstanding in the hands of the public \$41,705,931.67 of the common stock and \$54,404,911.91 of the first preferred stock, a total of \$96,110,843.58. In addition, there is outstanding \$31,696,866.66 of common stock which is held by San Francisco Gas and Electric Company, a corporation whose stock in turn, is held by applicant.

387

The present request to issue additional common stock is for the purpose of financing construction expenditures on applicant's system and on that of Mt. Shasta Power Corporation. In a former proceeding, Application No. 10682, applicant reported unreimbursed expenditures and unexpended balances as of September 30, 1924 and estimated expenditures during the remainder of 1924 and during 1925 for both companies as \$33,552,317.63. For a description of these expenditures, reference is here made to Exhibits "B", "C", "C-1", "D" and "E" attached to application No. 10682, and to decision No. 14409, dated December 27, 1924, rendered in that matter.

By Decision No. 14409, the Commission authorized the company to use the proceeds on hand and the proceeds that would be received from the sale of stock and bonds theretofore authorized, to finance, in part, such expenditures. These proceeds were estimated at \$15,698,963.24, which amount consisted of the following:

Receivable from sale of first preferred stock sold to September 30th, 1924;

Application No.	6229	- - - - -	\$5,016.00	
"	"	6585	- - - - -	896.00
"	"	7234	- - - - -	696.41
"	"	7432	- - - - -	4,329.50
"	"	8104	- - - - -	15,601.21
"	"	8550	- - - - -	16,536.70
				<u>\$43,075.82</u>

Receivable from sale of common stock sold to September 30th, 1924;

Application No.	10182	- - - - -	\$623,260.59	
"	"	10361	- - - - -	398,726.83
				<u>1,021,987.42</u>

Receivable from sale of \$12,500,000. of Series C First and Refunding Bonds authorized in

Application No.	10409	- - - - -	11,812,500.00
-----------------	-------	-----------	---------------

Receivable from sale of \$2,821,400. of common stock authorized in

Application No.	10361	- - - - -	2,821,400.00
Total			<u><u>\$15,698,963.24</u></u>

Deducting the \$15,698,963.24 from the \$33,552,317.63 leaves a balance of \$17,853,354.39. It is to finance part of the \$17,853,354.39 of actual or estimated expenditures that applicant asks permission to issue \$2,357,000. of stock. The order herein will permit the sale of such stock at not less than \$104. per share.

I 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 stock, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for through such issue and sale of stock is reasonably required for the purposes specified herein and that the expenditures herein authorized 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, on or before April 30th, 1926, at not less than \$104. a share, 23,570. shares of its common capital stock of the aggregate par value of \$2,357,000. and to use the proceeds to finance, in part, the cost of the extensions, additions, betterments and improvements referred to in the foregoing opinion, and described in Exhibits "B", "C", "C-1", "D" and "E" attached to application No. 10682, provided that only such expenditures as are properly chargeable to fixed capital account under the uniform system of accounts prescribed or adopted by the Railroad Commission may be financed through the use of said proceeds.

The authority herein granted is subject to the following conditions:

1. 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, insofar 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 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 15<sup>th</sup> day of April, 1925.

H. R. Burdige  
C. Cheaney  
George D. Squire  
Emmett D. ...

Commissioners.