

DRA

Decision No. 15896.

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 first)
preferred capital stock to the par)
value of \$2,500,000. and to use the)
proceeds from the sale of said)
stock in the manner and for the)
purposes set forth herein.)

ORIGINAL

Application No. 12413

C. P. Cutten, for applicant.

BY THE COMMISSION:

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 \$95. a share, 25,000 shares of its six percent cumulative preferred stock of the aggregate par value of \$2,500,000. and to use the proceeds to finance, in part, the cost of constructing additions, betterments, extensions and improvements to its facilities and to those of Mt. Shasta Power Corporation described in Exhibits "B", "C", "D" and "E" filed with Application No. 12192.

In Application No. 12192, filed with the Commission on December 3, 1925, applicant reported its uncapitalized construction expenditures, and those of Mt. Shasta Power Corporation, as of

September 30, 1925, and the unexpended balances at that time, and the estimated expenditures of the two companies for 1926 at \$26,875,925.74, as follows:-

Unreimbursed capital expenditures at September 30, 1925 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation (Exhibit B)	\$10,114,330.26
Unexpended balance of capital expenditures authorized at September 30, 1925-Pacific Gas and Electric Company (Exhibit C)	8,342,091.11
Estimated cost of new construction arising out of development of the business of Pacific Gas and Electric Company and the addition of new consumers during the remainder of the year 1925 and the calendar year 1926 (Exhibit D). . . .	6,000,000.00
Unexpended balance of capital expenditures authorized at September 30, 1925-Mt. Shasta Power Corporation (Exhibit E)	<u>2,419,504.37</u>
<u>Total</u>	<u>\$26,875,925.74</u>

The expenditures, actual and estimated, were described in some detail in Exhibits "B", "C", "D" and "E" attached to the application. The Commission was asked, in that proceeding, to give consideration to such expenditures and to authorize the company to use \$464,105.40, being the remaining proceeds to be received from the sale of stock theretofore authorized, to finance them, in part. This request was granted by Decision No. 15758, dated December 16, 1925.

Thereafter the Commission in Application No. 12261 and in Application No. 12277 was asked to give consideration to the reported expenditures described in Application No. 12192 and to authorize the company to issue and sell \$2,500,000. of the preferred stock and \$5,000,000. of the common stock on account of such expenditures. The Commission by Decision No. 15782, dated December 21, 1925, authorizing the issue and sale of \$2,500,000.

of preferred stock at not less than 95 percent of par value and by Decision No. 15874 dated January 19, 1926, the issue and sale of \$5,000,000. of common stock at not less than par and use the proceeds to finance in part the aforesaid expenditures.

The company now reports that up to January 8, 1926, it had sold \$2,204,600. of the preferred stock and it estimates that the sale of the entire \$2,500,000. authorized and the use of the \$464,105.40 covered by Decision No. 15758 will make available for the payment of the expenditures of \$26,875,925.74, the sum of \$2,889,105.40. In addition, the issue and sale of the common stock, Decision No. 15874, should provide \$5,000,000. more for the same purpose.

Deducting the two amounts from the reported expenditures leaves a balance of \$18,986,820.34 to be provided from other sources and to finance which, in part, the present request to issue additional preferred stock is made.

ORDER

Pacific Gas and Electric Company having applied to the Railroad Commission for permission to issue and sell \$2,500,000. of preferred stock, and the Commission being of the opinion that this is a matter in which a public hearing is unnecessary 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 expense 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 \$95. a share, 25,000 shares of its first preferred six percent stock of the aggregate par value of \$2,500,000. and to use the proceeds to finance in part the expenditures for additions, betterments, extensions and improvements to its property and facilities and to those of Mt. Shasta Power Company, described in Exhibits "B", "C", "D" and "E" filed in Application No. 12192, provided that only such expenditures as are properly chargeable to fixed capital as defined by the Uniform System of Accounts prescribed or adopted by this Commission may be financed with such proceeds.

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

DATED at San Francisco, California, this 23rd day of January, 1926.

H. A. Brundage
C. Searcy
George D. Squires

Commissioners.