

DEM

Decision No. 16473.

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 \$5,000,000.00 and to use
the proceeds from the sale of said
stock in the manner and for the pur-
poses set forth herein.

ORIGINAL

Application No. 12714

Chas. P. Cutten, for applicant.

BY THE COMMISSION:

OPINION

Pacific Gas and Electric Company asks permission to issue and sell at not less than \$98. per share, 50,000 shares (\$5,000,000. par value) of its six percent preferred capital stock and expend the proceeds for the purposes hereinafter indicated.

Applicant has an authorized stock issue of \$160,000,000. divided into \$79,900,000. of six percent first preferred, \$100,000. of six percent original preferred, and \$80,000,000. of common. As of December 31, 1925 the company reports outstanding \$54,456,031.91 of first preferred, none of the original preferred, and \$79,113,415.00 of the common. Of the common stock, \$31,696,866.66 was, as of December 31, 1925, owned by subsidiary companies. The company further reports \$714,300.00 par value of common stock and \$460,500.00 par value of first preferred stock subscribed for but not fully paid or issued.

Applicant reports actual or estimated expenditures of \$26,875,925.74, against which the Commission has not authorized the issue of stock, bonds, notes or other evidences of indebtedness, except as hereinafter set forth. The \$26,875,925.74 is segregated by applicant as follows:-

Unreimbursed capital expenditures at September 30, 1925 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation(Exhibit "B", Application No. 12192)	\$10,114,330.26
Unexpended balance of capital expenditures authorized at September 30, 1925 by Pacific Gas and Electric Company(Exhibit "C" Application No. 12192)	8,342,091.11
Estimated cost of new construction, Pacific Gas and Electric Company for 1925 and 1926(Exhibit "D", Application No. 12192)	6,000,000.00
Unexpended balance of capital expenditures authorized at September 30, 1925 by Mt. Shasta Power Corporation(Exhibit "E", Application No. 12192)	2,419,504.37
Total	<u>\$26,875,925.74</u>

To enable applicant to finance in part the foregoing actual or estimated expenditures, the Commission has, by Decision No. 15758, dated December 16, 1925 in Application No. 12192; authorized applicant to use \$464,105.40 obtained from sale of stock, the issue of which was theretofore authorized by the Commission.

To finance further its construction expenditures referred to herein, the Commission by Decision No. 15782 dated December 21, 1925 in Application No. 12261, authorized the company to issue \$2,500,000.00 of preferred stock, and by Decision No. 15874, dated January 19, 1926 in Application No. 12277, \$5,000,000.00 of common stock, and by Decision No. 15895, dated January 23, 1926, in Application No. 12413, \$2,500,000.00 of preferred stock. It is estimated that applicant will realize from the sale of the stock referred to in the four decisions, approximately \$10,331,974.00. Deducting the \$10,331,974.00 from the \$26,875,925.74 leaves a balance of \$16,543,951.74. Applicant now asks permission to issue and sell \$5,000,000.00 additional first preferred stock. It asks

that it be permitted to sell such stock at not less than \$98. per share and use, of the proceeds, an amount equal to not more than \$1.00 per share to pay expenses incident to the sale of the stock and use the remaining proceeds to finance in part the construction expenditures referred to in this opinion.

O R D E R

Pacific Gas and Electric Company having applied to the Railroad Commission for permission to issue \$5,000,000.00 of its six percent first preferred stock, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required by applicant for the purpose specified in this order, and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it is hereby authorized, to issue and sell on or before December 31, 1926 at not less than \$98. per share, 50,000 shares (\$5,000,000. par value) of its six percent first preferred stock, and use of the proceeds, if necessary, an amount equal to not more than one dollar per share of stock sold to pay expenses incident to the sale of such stock, and use the remainder of the proceeds, together with such portion of the amount herein allowed to pay expenses incident to the sale of stock as may not be needed for said purposes, to pay in part such cost of the extensions, additions, betterments and improvements to its facilities and to those of the Mt. Shasta Power Corporation described in Exhibits "B", "C", "D" and "E", filed in Application No. 12192, as is pro-

