

LEM

Decision No. 17319.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LOS ANGELES GAS AND ELECTRIC CORPORA-)
TION for an order authorizing the is-)
suanee and sale of 15,000 shares of)
its common capital stock.)

ORIGINAL

Application No. 15115

Paul Overton, for applicant.

BY THE COMMISSION:

O P I N I O N

Los Angeles Gas and Electric Corporation asks permission to issue and sell 15,000 shares of its common capital stock, of the aggregate par value of \$1,500,000.00 for the purpose of financing the cost of extensions, additions and betterments to its plants and properties.

The record shows that Los Angeles Gas and Electric Corporation has an authorized capital stock of \$60,000,000.00, divided equally into common and six percent cumulative preferred stock. As of July 31, 1926, there was \$31,426,000.00 of stock reported outstanding, of which \$18,926,000.00 was preferred and \$12,500,000.00 common. It appears that all of the common stock is owned by Pacific Lighting Corporation which has agreed to purchase at par the additional \$1,500,000.00 of common stock covered by this application.

The company proposes to use the proceeds from the sale of the \$1,500,000.00 of common stock to finance in part capital expenditures made and to be made during the calendar year 1926, which are said to be necessary in order for it to furnish service to its present and prospective consumers. These expenditures are described

in Exhibit "I", filed at the hearing in this matter as follows:-

Gas works, sundry small additions	\$182,250.00
Electric works, sundry small additions	11,350.00
Gas distributing systems, including	
100 miles commercial mains,	
32 miles pressure mains,	
21,500 gas services,	
20,000 gas meters,	
500 gas regulators	1,851,855.00
Electric distributing system, including	
pole line and conduit extensions, sub-	
stations, transformers, 14,000 electric	
services and 13,000 electric meters	2,102,660.00
Miscellaneous, including transportation	
equipment, land for Pasadena office buildings	
etc.	148,131.00
Overhead expense	250,000.00
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Total	<u>\$4,546,246.00</u>

Applicant intends to finance the expenditures of \$4,546,246.

in the following manner:-

Balance remaining from the sale of Series	
"1" bonds sold in 1925	\$300,000.00
Estimated receipts during 1926 from sale	
of preferred stock heretofore authorized	
by Railroad Commission	280,000.00
Sale of common stock covered by pending ap-	
plication	1,500,000.00
From temporary loans, depreciation reserve	
and surplus	2,266,246.00
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Total	<u>\$4,546,246.00</u>

ORDER

Los Angeles Gas and Electric Corporation having applied to the Railroad Commission for permission to issue 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 through such issue is reasonably required for the purpose specified herein, and that the expenditures for such purpose are not in whole or in part reasonably chargeable

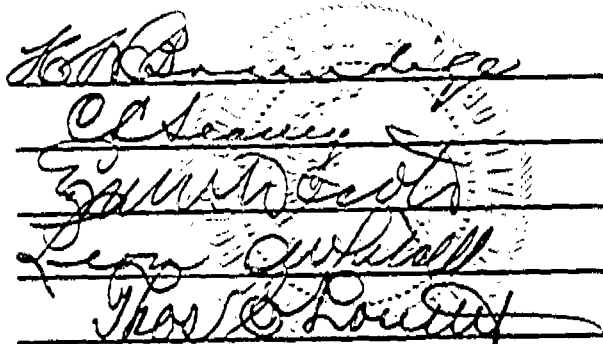
to operating expense or to income,

IT IS HEREBY ORDERED that Los Angeles Gas and Electric Corporation be, and it hereby is, authorized to issue and sell, at not less than par, on or before June 30, 1927, \$1,500,000.00 of its common capital stock and to use the proceeds to reimburse its treasury and to finance, in part, the cost of the additions, betterments and extensions set forth in applicant's exhibit "1" and referred to in the foregoing opinion.

The authority herein granted is subject to the following conditions:-

1. Only such expenditures may be financed with the proceeds obtained from the sale of the stock herein authorized as are properly chargeable to capital accounts as such accounts are defined in the uniform systems of accounts prescribed by the Railroad Commission.
2. Applicant shall keep such record of the issue and sale 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.
3. The authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 8th day of September, 1926.



Commissioners.