

ORIGINALDecision No. 17644

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
 reimburse its treasury for capital
 expenditures and to finance the
 construction of additions, exten-
 sions, betterments and improvements
 in the manner set forth herein.

Application No. 13291.

C. P. Catten, for applicant.

BY THE COMMISSION:

OPINION

In the above entitled matter Pacific Gas and Electric Company asks the Railroad Commission to make an order authorizing it to use proceeds to be received from the sale of preferred and common stock and bonds heretofore authorized to be issued to reimburse its treasury and/or to pay in part the cost of constructing additions, betterments, extensions and improvements to its facilities and to those of Mt. Shasta Power Corporation.

In a former proceeding, Application No. 12192, filed on December 3, 1925, the company reported unreimbursed capital expenditures of the two companies at September 30, 1925, at \$10,114,330.26. In this proceeding it reports that during the period from October 1, 1925 to August 31, 1926, there was expended for the construction, completion, extension and improvement of

plants and facilities the sum of \$17,283,981.56, for the purchase of 55 shares of the capital stock of Northern California Power Company, Consolidated, the sum of \$1,869.98 and for the purchase of 8,566.6 shares of the capital stock of Sacramento Gas Company the sum of \$428,330.00. The four items aggregate \$27,828,511.80.

During the same period - October 1, 1925 to August 30, 1926 - the company reports that it received from the sale of preferred and common stock and bonds which the Commission heretofore has authorized to be issued, the sum of \$21,197,348.92, and that this sum was used to meet the expenditures of \$27,828,511.80, leaving a balance said to represent unreimbursed capital expenditures at August 31, 1926, of \$6,631,162.88.

Applicant now asks permission to use stock and bond proceeds to be received to reimburse its treasury on account of these reported unreimbursed expenditures of \$6,631,162.88, and/or to finance in part the unexpended balances on construction work authorized at August 31, 1926, and the estimated cost of new construction during the remainder of 1926 and during 1927. These items are as follows:-

Unreimbursed capital expenditures at August 31, 1926 of Pacific Gas and Electric Co. and Mt. Shasta Power Corporation (Exhibit "B")	\$6,631,162.88
Unexpended balance of capital expenditures authorized at August 31, 1926 by Pacific Gas and Electric Co. (Exhibit "C")	\$7,230,169.53
Estimated cost of new construction, Pacific Gas and Electric Co. for 1926 and 1927 (Exhibit "D")	\$8,000,000.00
Unexpended balance of capital expenditures authorized at August 31, 1926 by Mt. Shasta Power Corporation (Exhibit "E")	<u>\$1,126,208.61</u>
Total	<u>\$22,987,541.02</u>

To meet these expenditures, in part, the company asks permission to use amounts which it reports will be received from unpaid stock subscriptions and unsold stock at August 31, 1926, and from the \$250,000.00 of bonds authorized by Decision No. 17202. These amounts are as follows:-

Receivable from sale of first preferred stock:	
Under Decision No. 8315 - - - - -	\$ 1,335.00
Under Decision No. 10872 - - - - -	636.01
Under Decision No. 11534 - - - - -	130.00
Under Decision No. 15782 - - - - -	72,227.72
Under Decision No. 15895 - - - - -	114,410.86
Under Decision No. 16475 - - - - -	<u>143,788.06</u>
	\$332,527.65
Receivable from sale of common stock:	
Under Decision No. 13750 - - - - -	\$ 505.00
Under Decision No. 13910 - - - - -	6,451.88
Under Decision No. 14767 - - - - -	435.00
Under Decision No. 14790 - - - - -	<u>20,362.20</u>
	\$27,754.08
Receivable from sale of first and refunding bonds authorized by Decision No. 17202 - - - - -	<u>\$245,000.00</u>
Total securities and accounts available-----	<u>\$605,281.73</u>

Deducting the \$605,281.73 from the reported actual or estimated expenditures of \$22,987,541.02 leaves a balance of \$22,382,259.29 to be financed by subsequent issue of securities, if the Commission in later proceedings finds such expenditures reasonable and necessary. The authority herein granted is an approval of said expenditures of \$22,987,541.02 only to the extent of \$605,281.73.

ORDER

Pacific Gas and Electric Company having applied to the Railroad Commission for permission to use the proceeds from the sale of preferred and common stock and bonds heretofore authorized

to be issued, and the Railroad Commission being of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted as herein provided and that the money, property or labor to be procured or paid for through the use of such proceeds 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 income,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it hereby is, authorized to use the proceeds received, or to be received, from the sale of the preferred and common stock and bonds, the issue of which has been authorized by the Commission in the proceedings to which reference is made in the foregoing opinion, to reimburse its treasury in part on account of capital expenditures of \$6,631,162.88, made prior to August 31, 1926, and/or to finance, in part, such cost of the additions, betterments, extensions and improvements to its facilities, and to those of Mt. Shasta Power Corporation, shown in Exhibits "B", "C", "D" and "E" filed in this proceeding as is properly chargeable to fixed capital accounts under the uniform systems of accounts prescribed or adopted by this Commission.

IT IS HEREBY FURTHER ORDERED that the orders heretofore made in Decisions Nos. 8315, 10872, 11534, 13750, 13910, 14757, 14790, 15782, 15895, 16473 and 17202 shall remain in full force and effect except as modified by this order.

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

DATED at San Francisco, California, this 18th
day of November, 1926.

H. K. Burdige

P. L. Seaver

Frankie O. O.

Thos. D. Rutter

Commissioners.