

Decision No. 17740.

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 con-
 struction of additions, extensions,
 betterments and improvements in the
 manner set forth herein.

ORIGINAL

Application No. 13291

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

In the original petition filed in this proceeding on November 3, 1926, Pacific Gas and Electric Company alleged that it, and its subsidiary, Mt. Shasta Power Corporation, had expended or would expend for capital purposes the sum of \$22,987,541.02, which had not been paid or provided through the issue of securities. This sum consisted of the following amounts:-

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

In order to finance in part this amount, the company asked for, and in Decision No. 17644, dated November 18, 1926, received permission to use for this purpose the sum of \$605,281.73 which it reported would be received from unpaid stock subscriptions and unsold stock at August 31, 1926 and from the bonds authorized by Decision No. 17202. The \$605,281.73 included the following:-

Receivable from sale of first preferred stock:		
Under Decision No. 8315 . . .	\$1,235.00	
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. 16473	<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 receivable		<u>\$605,281.73</u>

The company now reports, in a supplemental petition filed in this proceeding on November 26, 1926, that on August 31, 1926 it had in its treasury, neither sold nor subscribed for, 29571 shares (\$2,957,100.00 par value) of the first preferred stock authorized by Decision No. 16473 and it asks permission to use the proceeds to be received from the sale of such shares, which proceeds will be in addition to the \$143,788.06 reported in the foregoing tabulation as the amount receivable from the sale of stock authorized by Decision No. 16473, to meet in part the expenditures of \$22,987,541.02 referred to herein.

We have given consideration to applicant's request and believe a hearing on this supplemental petition is not necessary and are of the opinion that the money, property or labor to be procured or paid for through the use of the proceeds to be received from the sale of \$2,957,100.00 of stock is reasonably required for the purposes specified herein and that the expendi-

tures 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 hereby is, authorized to use the proceeds to be received from the sale of the 29571 shares (\$2,957,100.00 par value) of the first preferred stock authorized to be issued by Decision No. 16473, in addition to the \$143,788.06 of proceeds received or to be received from the sale of such stock, the use of which was authorized by Decision No. 17644, dated November 18, 1926, 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 and improvements to its facilities, and to those of Mt. Shasta Power Corporation, shown in Exhibits "B", "C", "D" and "E" filed with the original petition in this matter, as is properly chargeable to fixed capital accounts under the uniform system of accounts prescribed or adopted by this Commission.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 16473, dated April 12, 1926, shall remain in full force and effect, except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 10th day of December, 1926.

H. C. Bourdige
C. L. Seaman
Frank D. Davis
Leon C. Whipple

Commissioners.