

LRA

Decision No. 19125

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
LOS ANGELES GAS AND ELECTRIC
CORPORATION
for an order authorizing the
issuance of 60,000 shares of its
common capital stock.

Application No. 14095.

Paul Overton, for applicant.

BY THE COMMISSION:

O P I N I O N

Los Angeles Gas and Electric Corporation in this application asks permission to issue at par 60,000 shares (\$6,000,000.00 par value) of its common capital stock for the purposes hereinafter stated.

It is of record that the Los Angeles Gas and Electric Corporation has an authorized stock issue of \$60,000,000.00 represented by 600,000 shares, of which \$30,000,000.00 represented by 300,000 shares, is preferred capital stock and \$30,000,000.00, represented by 300,000 shares is common capital stock. The shares of applicant's stock, both preferred and common, have a par value of \$100.00. As of September 1, 1927, applicant reports \$19,209,100.00 of preferred and \$14,000,000.00 of common stock outstanding.

The company asks permission to issue \$3,000,000.00 of its common capital stock for the purpose of reimbursing its treasury because of earnings expended for additions and betterments. As of August 1, 1927, it reports surplus at \$5,414,212.44. W. E. Houghton, applicant's treasurer, testified that the \$5,414,212.44 represented an earned surplus and that a like amount has been invested in the properties of the company. It is against such investment that applicant asks permission to issue the \$3,000,000.00 of common stock and thereafter distribute the common stock to owners and holders of its common stock. All of the outstanding common stock of Los Angeles Gas and Electric Corporation is owned by the Pacific Lighting Corporation. The order herein will permit the distribution of the stock according to law.

Applicant has submitted a statement in which it estimates its 1928 construction expenditures at \$8,713,000.00. While this estimate has not been approved in all its detail, it is believed by representatives of applicant that its 1928 construction budget will be greatly in excess of \$3,000,000.00, the amount of common stock which applicant asks permission to sell for cash. It is of record that contracts have been let by applicant for the construction of a 35,000 K.W. addition to its Seal Beach electric generating plant and that such contracts call for the expenditure of \$2,180,000.00. The Pacific Lighting Corporation has agreed to purchase the \$3,000,000.00 of common stock of applicant at par, and to purchase the same as and when applicant needs cash to pay construction expenditures.

O R D E R

Los Angeles Gas and Electric Corporation having applied to the Railroad Commission for permission to issue \$6,000,000.00 of common capital 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 by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expense or to income and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Los Angeles Gas and Electric Corporation may issue at not less than par \$3,000,000.00 of its common capital stock to reimburse its treasury on account of income expended for additions and betterments to its properties and thereafter distributed, as permitted by law, to its stockholders as a stock dividend.
2. Los Angeles Gas and Electric Corporation may issue and sell for cash at not less than par on or before June 30, 1928, \$3,000,000.00 of its common capital stock and use the proceeds obtained from the sale of such stock to pay in part the cost of the properties referred to in the statement filed in this proceeding on October 22, 1927.
3. The authority herein granted to issue stock will become effective upon the date hereof.

4. Los Angeles Gas and Electric Corporation 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 December
day of ~~December~~, 1927.

1915

Ernest
Chesney
Leon White
David R. ...
M. A. ...
Commissioners.