

LEM

Decision No. 19259.

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 common)
stock in the amount, in the manner)
and for the purposes set forth herein.)

ORIGINAL

Application No. 14286

C. P. Cutten, for applicant.

BY THE COMMISSION:

O P I N I O N

Pacific Gas and Electric Company in this proceeding asks permission to issue and sell to its common stockholders at par \$6,460,000.00 par value of its common capital stock, and use the proceeds obtained from the sale of its common stock to pay the construction expenditures to which reference will hereafter be made.

Pacific Gas and Electric Company as of October 13, 1927 had an authorized stock issue of \$160,000,000.00 divided into \$80,000,000.00 of six percent ^{first} preferred and \$80,000,000.00 of common stock. As of the same date it reports stock issued and outstanding in the following amounts;-

First preferred stock	\$68,905,631.91
Common stock	64,631,898.33
In hands of the public	\$64,583,465.00
Owned by subsidiary companies	<u>48,433.33</u>

It further reports that as of October 31, 1927 it had subscriptions for shares of its preferred capital stock in the aggregate par value of \$1,894,975.00 and shares of its common capital stock in the aggregate par value of \$1,151,100.00. The shares representing such subscriptions have not yet been issued, because of the fact that subscribers have not completed their payments.

In its Exhibit No. 5 applicant reports the following:-

Unreimbursed capital expenditures of Pacific Gas and Electric Company and Mt. Shasta Power Corporation at May 31, 1927 as per Exhibit "B" Application No. 13940	\$470,823.57
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Construction expenditures from May 31, 1927 to and including Oct. 31, 1927 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation, as reported in monthly statements filed with the Railroad Commission	\$4,903,363.58
Deduct sale of water properties	<u>2,455,000.00</u>
Net	2,448,363.58

Unexpended balances of capital expenditures authorized at Oct. 31, 1927 and reported in monthly statements filed with the Railroad Commission:	
Pacific Gas & Electric Company	6,799,263.03
Mt. Shasta Power Corporation	<u>194,335.51</u>
Subtotal	6,993,598.54

Estimated cost of new construction arising out of development of the company's business and the addition of new consumers during the remainder of the year 1927 and the calendar year 1928.	6,000,000.00
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Retirement of bonds	13,226,500.00
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Pacific Gas and Electric Co. first and refunding mortgage Series "A" 7% bonds	\$10,720,000.00
Sacramento Electric Gas and Railway Co. First mortgage 5% bonds	1,083,000.00
Metropolitan Gas Corporation First mortgage 5% bonds	988,500.00
Sacramento Valley Power Co. first and refunding mortgage 6% bonds	<u>435,000.00</u>

Grand Total	<u><u>\$29,139,285.69</u></u>
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Against these expenditures the Commission has heretofore authorized the company to use \$17,150,800.51 obtained from the sale of stocks and bonds. Deducting the \$17,150,800.51 from the \$29,139,285.69 leaves a balance of \$11,988,485.18, against which the Commission has not authorized the issue of securities. It is for the purpose of paying in part the \$11,988,485.18 that applicant asks permission to issue and sell \$6,460,000.00 of its common capital stock. It is of record that this stock will be offered to applicant's common stockholders in the proportion of one share of the additional common stock to each ten shares of common stock owned by each of its common stockholders.

O R D E R

Pacific Gas and Electric Company having asked permission to issue \$6,460,000.00 of its common capital stock, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of such stock 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 expenses or to income,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it is hereby, authorized to issue and sell to its stockholders and none other, on or before December 31, 1928 at not less than par, \$6,460,000.00 of its common capital stock and use the proceeds obtained from the sale of such stock to finance in part such cost of the additions, extensions, betterments and improvements to its plant and facilities and to those of Mt. Shasta Power Corporation shown in Exhibit five filed in this proceeding 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 authority herein granted shall become effective upon the date hereof; and that Pacific Gas and Electric Company 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.

DATED at San Francisco, California, this 18th day of January, 1928.

C. S. ...

Thomas S. ...

M. J. ...

Commissioners.