

Decision No. 21548

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, shares of)
 its common capital stock in the man-)
 ner, to the amount, and for the pur-)
 poses set forth herein; to reimburse)
 its treasury for capital expenditures)
 and to finance the construction of)
 additions, betterments and improve-)
 ments to its facilities and the)
 facilities of the Mt. Shasta Power)
 Corporation in the manner herein set)
 forth.)

ORIGINAL

Application No. 15936

C. P. Cutten, for applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Pacific Gas and Electric Company asks permission to issue, sell and deliver at and for \$55.00 per share 312,815 shares of its common capital stock of the par value of \$25.00 per share and of the aggregate par value of \$7,820,375.00 and use the proceeds to pay construction expenditures, described in Exhibits "C", "D", "E" and "F" filed in Application No. 15935, and to reimburse its treasury on account of capital expenditures made prior to June 1, 1929.

Reference is here made to the decision in said Application No. 15935 for a summary of applicant's reported actual or estimated construction expenditures, which have not been financed through the issue of stock or bonds. In that decision, the Commission

authorized the issue of \$7,820,375.00 par value of common stock at par. The issue and sale of the \$7,820,375.00 of stock so authorized will not yield the company sufficient funds to meet its construction expenditures. The issue of the additional stock in the amount of \$7,820,375.00 appears to be necessary.

Applicant proposes to issue and sell the 312,815 shares of stock, which are the subject matter of this application, at \$55.00 per share. It will offer the stock to its common stock holders at such price and permit said common stock holders to purchase additional shares of its common stock in the proportion of one share of said additional common stock for each ten shares of said common stock owned by each of said stock holders. While the order herein will authorize the issue of the stock at the price suggested by applicant, such order should not be construed as a finding of a value for the common stock of the Pacific Gas and Electric Company.

ORDER

Pacific Gas and Electric Company having applied to the Railroad Commission for permission to issue \$7,820,375.00 par value of its common capital stock, the Commission having considered the request of applicant and being of the opinion that a public hearing is not necessary in this matter; 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; that the expenditures for such purposes are not in whole, or in part, reasonably chargeable to operating expenses or to income, and that this

application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED, that Pacific Gas and Electric Company be, and it is hereby, authorized to issue, sell and deliver to its stockholders, on or before February, 1, 1930, at and for \$55.00 per share cash 312,815 shares of its common capital stock.

IT IS HEREBY FURTHER ORDERED, that Pacific Gas and Electric Company shall use the proceeds obtained from the sale of the aforesaid stock together with the proceeds received subsequent to May 31, 1929 from the sale of the stock, the issue of which is authorized by Decision Nos. 17801 and 18103 in Application No. 13350; Decision No. 20244 in Application No. 14956; and Decision No. 20712 in Application No. 15281, for the purpose of reimbursing its treasury in the sum of \$12,932,236.24 and/or to pay, in part, the cost of additions, extensions, betterments and improvements to its facilities and to those of the Mt. Shasta Power Corporation shown in Exhibits "C", "D", "E" and "F"; provided that only such costs and/or expenditures as are properly chargeable to fixed capital accounts or to road and equipment accounts under The Uniform System of Accounts prescribed or adopted by the Commission may be paid through the use of such stock proceeds.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective ten days after the date hereof, and that the Pacific Gas and Electric Company shall file reports

with the Commission, as required by the Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 17th day of September, 1929.

Thos D. Latta

Al Scamper

Leon Whitwell

W. J. Carr
Commissioners.