

Decision No. 22397.

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 to its
facilities, and to the facilities of
Mt. Shasta Power Corporation in the
manner set forth herein.

ORIGINAL

Application No. 16464

C. P. Cutten, for applicant.

BY THE COMMISSION:

OPINION

In the above entitled matter the Railroad Commission is asked to make an order authorizing Pacific Gas and Electric Company to use the moneys to be received from unpaid subscriptions to its capital stock authorized to be issued by Decisions Nos. 17801, 18103, 20244, 21291, 21547 and 21548, amounting to \$1,310,377.67, and the moneys to be received from the issue and sale of stock unsold, but authorized to be sold by Decisions Nos. 20244, 21291, 21547 and 21548, the par value of which amounts to \$2,961,675.00, to reimburse its treasury and/or to pay, in part, the cost of constructing additions, extensions, betterments and improvements to its facilities and to those of Mt. Shasta Power Corporation. In this connection, it appears that applicant is the owner of all the issued and outstanding stock of Mt. Shasta

Power Corporation, except five directors' shares, and advances to it the sums of money to enable it to pay for the acquisition and construction of its plants and properties.

The application shows that in an earlier proceeding, Application No. 15935, filed September 6, 1929, applicant reported its and Mt. Shasta Power Corporation's unreimbursed capital expenditures at May 31, 1929, at \$12,932,236.24. From June 1, 1929 to December 31, 1929 the company reports expenditures made in acquiring securities and properties of \$25,098,155.96, making a total of \$38,030,392.20, of which \$28,274,190.12 was provided through the issue and sale of stock heretofore authorized, having an unreimbursed balance of \$9,756,202.08. In addition to these expenditures, the company reports in the application estimated expenditures during 1930. The total unreimbursed and estimated expenditures are said to aggregate \$65,304,516.41, as follows:-

Unreimbursed capital expenditures of Pacific Gas and Electric Company and Mt. Shasta Power Corporation at Dec.31,1929(Exhibit B)	\$9,756,202.08
Unexpended balances of capital expenditures authorized at Dec.31, 1929, reported in monthly statement to the Railroad Commission for December, 1929, of Pacific Gas and Electric Company(Exhibit C)	41,076,267.76
Unexpended balances of capital expenditures authorized at Dec. 31, 1929, reported in monthly statement to the Railroad Commission for December, 1929, of Mt. Shasta Power Corporation(Exhibit D)	6,046.57
Estimated cost of new construction arising out of the development of the company's business and the addition of new consumers during the calendar year 1930(Exhibit E)	<u>14,466,000.00</u>
Excess of reimbursed capital expenditures authorized and estimated at Dec.31,1929 over proceeds received from sale of securities.....	<u>\$65,304,516.41</u>

The authorized major construction projects, referred to in Exhibit "C", have been submitted to the Commission heretofore in

Application No. 15935. For a description of them, reference should be made to that proceeding and to the decision thereon, No. 21547, dated September 12, 1929.

To meet in part the expenditures of \$65,304,516.41, applicant reports that it has sources available as follows:-

<u>Unpaid subscriptions to first preferred stock:</u>		
Sold under Decisions Nos. 17801 and 18103.....		\$162,947.50
" " " " 20244 and 21291.....		535,798.10
<u>Unpaid subscriptions to common stock:</u>		
Sold under Decisions Nos. 17801 and 18103.....		162,947.50
" " " " No. 21547		133,240.09
" " " " No. 21548.....		<u>315,446.48</u>
	Total.....	<u>\$1,310,377.67</u>
<u>Unsold stock at December 31, 1929-par value:</u>		
Authorized by Decisions Nos. 20244 and 21291-first preferred stock		\$2,746,275.00
Authorized by Decision No. 21547-common stock		70,475.00
Authorized by Decision No. 21548-common stock		<u>144,925.00</u>
	Total.....	<u>\$2,961,675.00</u>

Because of the excess of the expenditures over the proceeds to be received through the issue of the stock, it does not seem necessary to make a detailed examination of all the items comprising the expenditures. The order herein will provide that the company may use the proceeds from its stock to finance only such expenditures as are properly chargeable to fixed capital accounts or road and equipment accounts, as defined in the uniform systems of accounts prescribed or adopted by the Commission. The order herein is not to be construed as an approval of all the items of expenditures referred to in Exhibits B, C, D and E.

ORDER

Pacific Gas and Electric Company having applied to the Railroad Commission for an order authorizing the use of proceeds to be re-

ceived through the issue and sale of stock authorized in former decisions, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the money, property or labor to be procured or paid for through the issue and sale of said stock is reasonably required for the purposes specified herein, which 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 unpaid subscriptions to capital stock authorized to be issued and sold by Decisions Nos. 17801, 18103, 20244, 21291, 21547 and 21548, and the proceeds to be received from the issue and sale of stock unsold but authorized to be issued and sold by Decisions Nos. 20244, 21291, 21547 and 21548 to reimburse its treasury and/or to pay, in part, the cost of constructing the additions, extensions, betterments and improvements to its facilities and to those of Mt. Shasta Power Corporation, referred to in Exhibits "B", "C", "D" and "E" in this proceeding.

The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 1st day of

May, 1930.

Clarence

Thomas J. Linn

M. A. Linn
Commissioners.