

LEM

22513

Decision No. 22513.

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
acquire, upon the terms and condi-
tions in this application set forth,
the shares of common capital stock
of MODESTO GAS COMPANY herein men-
tioned, etc.

ORIGINAL

Application No. 16113

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION

In a supplemental petition filed in the above entitled matter on April 28, 1930, Pacific Gas and Electric Company requests an order from the Railroad Commission authorizing it to acquire and hold, 302 shares (\$30,200.00 par value) of the capital stock of Modesto Gas Company, and to issue in exchange therefor 3572 shares (\$89,300.00 par value) of its common capital stock.

It appears that Modesto Gas Company has outstanding \$100,000.00 of common capital stock divided into 1,000 shares of the par value of \$100.00 each. Pacific Gas and Electric Company heretofore under authority granted by the Commission in Decision No. 21916, dated December 16, 1929, purchased and now holds \$69,800. of said stock. The present supplemental petition shows that applicant now has made arrangements to acquire the remaining 302 shares of Modesto Gas Company stock and to issue in exchange 3572 shares of its own stock. This acquisition will result in applicant owning all of the outstanding stock of Modesto Gas Company and, according

to the supplemental petition, will enable it hereafter to cause the plants, properties and business of Modesto Gas Company to be transferred and conveyed to it.

There is, however, no request at this time for an order authorizing the transfer of properties. If hereafter Modesto Gas Company does ask permission to sell any or all of its properties to Pacific Gas and Electric Company, the Commission will at that time determine what part, if any, of the consideration paid directly or indirectly for such properties, may be charged by Pacific Gas and Electric Company to fixed capital accounts and what part, if any, should be charged to profit and loss accounts. These matters are not now before us.

FIRST SUPPLEMENTAL ORDER

Pacific Gas and Electric Company having applied to the Railroad Commission for authority to acquire 302 shares of the outstanding stock of Modesto Gas Company and to issue 3572 shares of its capital stock in payment, and the Railroad Commission being of the opinion that the supplemental petition 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 of the stock herein authorized is reasonably required by applicant for the purpose specified herein, which purpose is not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED as follows:-

1. Pacific Gas and Electric Company may acquire and hold Three Hundred and Two (302) shares of the outstanding stock of Modesto Gas Company in addition to the Six Hundred and Ninety Eight(698) shares of such stock which it was authorized to acquire and hold by Decision No. 21916, dated December 16, 1929.

2. Pacific Gas and Electric Company may issue on or before September 30, 1930 to the holders of the Three Hundred and Two(302) shares of stock of Modesto Gas Company, Three Thousand Five Hundred Seventy Two(3572) shares of its common capital stock of the par value of Eighty-nine Thousand Three Hundred(\$89,300.00) Dollars, such stock to be issued and delivered pursuant to the terms and conditions of the agreements filed as Exhibits "A" and "B" with the supplemental petition herein, which agreements Pacific Gas and Electric Company is hereby authorized to execute.

3. Pacific Gas and Electric Company shall keep such record of the stock herein authorized to be issued as will enable it to file within thirty days after such issue, 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.

4. The authority herein granted will become effective ten days after the date hereof.

DATED at San Francisco, California, this 16th day of June, 1930.

C. L. Seaver

W. B. Lott

M. J. Linn

Commissioners.