

margin exists between the reported actual and estimated expenditures and the proceeds received or to be received through the issue of the securities referred to herein to warrant the granting of the application without such an examination.

ORDER

Pacific Gas and Electric Company having applied to the Railroad Commission for an order authorizing the use of security proceeds, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the expenditures herein authorized are 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 the orders in Decisions in Applications Nos. 14956, 15935, 15936, 16533 and 16758 be, and they hereby are, modified so as to permit Pacific Gas and Electric Company to use the proceeds received, or to be received, from the issue and sale of the common and preferred stocks and the bonds authorized by said orders to reimburse its treasury in the sum of \$27,478,340.99 and/or to pay in part the cost of constructing the additions, extensions, betterments and improvements to its facilities and to the facilities of Mt. Shasta Power Corporation, shown in Exhibits "C", "D" and "E" attached to the application herein, amounting

to \$44,931,381.59, such authority to become effective upon the date hereof.

IT IS HEREBY FURTHER ORDERED that the orders in said decisions shall remain in full force and effect, except as modified by this order.

DATED at San Francisco, California, this 25th day of October, 1930.

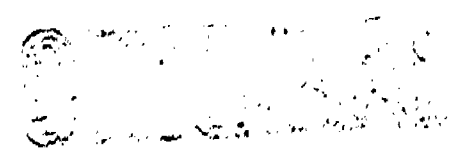
*O. L. Scammon*  
*E. M. ...*  
*Leon ...*  
*...*

Commissioners.

Decision No. 22999

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. )



Application No. 16941

C. P. Cutten for Applicant.

BY THE COMMISSION:

O P I N I O N

Pacific Gas and Electric Company asks authority, in this proceeding, to use certain proceeds received, and to be received through the issue and sale of stocks and bonds, the issue and sale of which the Commission has heretofore authorized, to reimburse its treasury in the sum of \$27,478,340.99 and/or to pay, in part, the cost of constructing the additions, extensions, betterments and improvements to its facilities and to the facilities of Mt. Shasta Power Corporation shown in Exhibits "C", "D" and "E" and amounting to the sum of \$44,931,381.59.

The Railroad Commission, heretofore, by decisions in Applications Nos. 14956, 15935, 15936, 16533 and 16758, authorized applicant to issue, in the aggregate, \$25,000,000.00 of first and refunding mortgage 4.5 percent bonds, \$20,000,000.00 of ~~preferred~~ <sup>preferred</sup> stock and \$15,640,750.00 of common stock for the purpose of reimbursing the company's treasury and of financing certain construction costs as set forth in said decision. It appears that

applicant has not disposed of all the securities, or the proceeds from such securities. It reports in this application that it has on hand \$23,375,000.00 received from the sale of the bonds authorized by Decision No. 22708 in Application No. 16758, that stock subscribers owe it \$394,649.42 for preferred stock sold to and including July 31, 1930 under Decisions Nos. 20244 and 21291 in Application No. 14956 and Decision No. 22488 in Application No. 16533, and that it has unsold stock issuable under former orders in the aggregate par amount of \$8,523,850.00, as follows:

Par value of 5-1/2% first preferred stock authorized to be sold by Railroad Commission Decision No. 20244, as amended by Decision No. 21291 (Application No. 14956) but not sold at July 31, 1930 (10 shares).....	\$ 250.00
Par value of common stock authorized to be sold at par by Railroad Commission Decision No. 21547 (Application No. 15935) but not sold at July 1, 1930 (2,819 shares).....	70,475.00
Par value of common stock authorized to be sold at \$55.00 per share by Railroad Commission Decision No. 21548 (Application No. 15936) but not sold at July 31, 1930 (5,797 shares).....	144,925.00
Par value of 5-1/2% first preferred stock authorized to be sold by Railroad Commission Decision No. 22488 (Application No. 16533) but not sold at July 31, 1930 (332,328 shares).....	<u>8,308,200.00</u>
Total.....	<u>\$ 8,523,850.00</u>

The company seeks authority to use the \$23,275,000.00 of cash, the \$394,649.42 to be received from stock subscriptions, and the proceeds to be received from the \$8,523,850.00 of stock, when sold, to reimburse its treasury in the amount of \$27,478,340.99 and/or to finance in part estimated expenditures of \$44,931,381.59, the two items aggregating \$72,409,722.58. This consists of the following:

Unreimbursed capital expenditures at July 31, 1930 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation (Exhibit "B").....	\$27,478,340.99
Unexpended balance of capital expenditures authorized at July 31, 1930 by Pacific Gas and Electric Company (Exhibit "C").....	28,391,475.68
Unexpended balance of capital expenditures authorized at July 31, 1930 by Mt. Shasta Power Corporation (Exhibit "D").....	29,905.91
Estimated cost of new construction, Pacific Gas and Electric Company, for remainder of year 1930 and for calendar year 1931 (Exhibit "E").....	<u>16,510,000.00</u>
Total.....	<u>\$72,409,722.58</u>

Details of the items making up the several figures are contained in exhibits filed with the application. Analysis of the exhibits indicates that applicant in arriving at the reported unreimbursed capital expenditures at July 31, 1930, amounting to \$27,478,340.99, includes certain amounts expended in acquiring stocks of Modesto Gas Company, Tracy Gas Company, Fowler Gas Company, Great Western Power Company of California, San Joaquin Light and Power Corporation, Midland Counties Public Service Corporation, California Electric Generating Company and Standard-Pacific Gas Line, Incorporated. We do not by this decision make a finding of the value of such stocks and the authority herein granted is not to be construed as an approval of the prices paid therefor, nor as obligating the Commission hereafter to recognize such values in fixing rates, permitting the transfer of properties or the issue of securities, or for other purposes, or to permit the charging of such amounts to fixed capital in the event of the transfer of the properties of the several corporations to applicant, or otherwise. Moreover, we have not made a detailed examination of all the items making up the total of \$72,409,722.58. In our opinion sufficient