

LEM

Decision No. 24288

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 for advances to)
 affiliated companies, and to finance)
 the construction of additions, ex-)
 tensions, betterments and improve-)
 ments to its facilities, and to the)
 facilities of Mt. Shasta Power Corpo-)
 ration in the manner set forth in)
 this application.)

ORIGINAL

Application No. 17783

C. P. Cutten, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to make its order authorizing Pacific Gas and Electric Company to use certain proceeds received and to be received through the issue and sale of common and preferred stocks heretofore authorized by the Commission to reimburse its treasury and/or to pay in part the cost of constructing additions, extensions, betterments and improvements to its facilities and to the facilities of Mt. Shasta Power Corporation shown in Exhibits B, C, D and E, attached to the application.

The Railroad Commission heretofore, by Decision No. 20244, dated September 21, 1928, Decision No. 22488, dated May 27, 1930 and Decision No. 23281, dated January 13, 1931, authorized Pacific Gas and Electric Company to issue and sell \$20,000,000.00 of five and one half

percent preferred stock and \$14,185,000.00 of common stock to reimburse its treasury and to finance construction costs. It appears, however, that not all of such securities have been sold, nor all the proceeds received, the amount of the unpaid subscriptions and the unsold stock aggregating \$2,835,831.59, as of August 31, 1931, as follows:

Unpaid subscriptions to 5-1/2 percent first preferred stock sold under Decision No. 20244	\$ 15,363.42
Unpaid subscriptions to 5-1/2 percent first preferred stock sold under Decision No. 22488	152,805.20
Unpaid subscriptions to common stock sold under Decision No. 23281.....	<u>116,462.97</u>
Total unpaid subscriptions <u>\$284,631.59</u>	
Unsold stock under Decision No. 22488; 100,951 shares of 5-1/2 percent preferred stock of the par value of \$25.00 each	\$2,523,775.00
Unsold stock under Decision No. 23281; 1,097 shares of common stock of the par value of \$25.00 each	<u>27,425.00</u>
Total unsold stock <u>\$2,551,200.00</u>	
Total unpaid subscriptions and unsold stock <u>\$2,835,831.59</u>	

The company reports in its Exhibits B, C, D and E, expenditures made or estimated, in the aggregate amount of \$48,893,775.21 which it is alleged have not been paid or provided for through the issue of stocks or bonds. The expenditures of the company and its affiliated companies have been reported in some detail in statements heretofore or herein filed with the Commission. In a general way the Commission is familiar with the company's actual or proposed expenditures and because of the wide margin between such expenditures, reported at \$48,893,775.21, and the stock and stock proceeds of \$2,835,831.59, it seems unnecessary for the purpose of this proceeding to make a detailed examination of said \$48,893,775.21.

The request to expend the \$2,835,831.59 can be granted without making a finding that the company should be permitted to reimburse its treasury in the amount of \$48,893,775.21. Under the order following,

applicant may use the \$2,835,831.59 to reimburse its treasury in part because of the aforesaid expenditures.

A review of our records shows that under the former orders of the Commission, the company may issue the stock authorized by Decision No. 22488 on or before June 30, 1932 and by Decisions Nos. 20244 and 23281 on or before December 31, 1931. It therefore appears to us that to enable the company to continue the issue of the unsold and unissued stock, as set forth herein, the time within which the same may be issued should be extended. The order herein will so provide.

O R D E R

Pacific Gas and Electric Company having applied to the Railroad Commission for permission to use \$2,835,831.59 of the proceeds received, or which may be received, through the issue and sale of stock authorized in former decisions, the Railroad Commission having considered applicant's request and 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 use of such proceeds 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 by Decision No. 20244, as amended, in Application No. 14956, by Decision No. 22488, in Application No. 16533, and by Decision No. 23281, in Application No. 17098, amounting to \$284,631.59 as of August 31, 1931, and the proceeds to be received from the sale of unsold stocks authorized by said Decisions Nos. 22488 and 23281, amounting to \$2,551,300.00 par value as

of August 31, 1931, to reimburse its treasury on account of capital expenditures and advances and loans made to its affiliated companies to finance capital expenditures and to retire outstanding bonded indebtedness, and/or to pay in part the cost of constructing additions, extensions, betterments and improvements to its facilities and those of Mt. Shasta Power Corporation, all as referred to in Exhibits B, C, D and E filed in this proceeding, provided that the \$2,835,831.59 may be used through such reimbursement only to finance expenditures which are properly chargeable to investment or capital accounts.

IT IS HEREBY FURTHER ORDERED, that the time within which Pacific Gas and Electric Company may issue the stock authorized by Decision No. 20244, dated September 21, 1928, as amended, in Application No. 14956, and by Decision No. 23281, dated January 13, 1931, in Application No. 17098, be, and it hereby is, extended to and including June 30, 1932.

IT IS HEREBY FURTHER ORDERED, that the orders in decisions in Applications Nos. 14956, 16533 and 17098 shall remain in full force and effect, except as modified by this order.

DATED at San Francisco, California, this 7th day of December, 1931.

CC Scavely
Leon O'Connell
W. J. Carr
W. B. Harris
Fred G. Stevens
Commissioners.