

LEM

Decision No. 24417

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)
six percent first preferred capital)
stock of the aggregate amount of)
\$5,000,000.00; to reimburse its treas-)
ury for capital expenditures; and to)
finance the construction of additions,)
extensions, betterments and improve-)
ments to its facilities and to the)
facilities of Mt. Shasta Power Corpo-)
ration in the manner set forth herein.)

ORIGINAL

Application No. 17908

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 at not less than \$25.00 per share, 200,000 shares of its six percent first preferred capital stock of the par value of \$25.00 per share and of the aggregate par value of \$5,000,000.00. It further asks that it be authorized to use the proceeds realized from the sale of said \$5,000,000.00 of first preferred stock to reimburse its treasury in part on account of capital expenditures of \$37,324,850.61, made prior to August 31, 1931, and/or to pay in part the cost of additions, extensions, betterments and improvements to applicant's facilities and to the facilities of Mt. Shasta Power Corporation, shown in Exhibits "C", "D" and "E" of

Application No. 17783 and amounting to the sum of \$11,568,924.60.

By Decision No. 24283 dated December 7, 1931 in Application No. 17783 the Commission authorized the company to use \$2,835,831.59 of the proceeds received, or which it may receive, through the issue and sale of stock authorized by former decisions of the Commission 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 to those of Mt. Shasta Power Corporation, all as referred to in Exhibits "B", "C", "D" and "E" filed in Application No. 17783, provided that the \$2,835,831.59 may be used through such reimbursements only to finance expenditures which are properly chargeable to investment or capital accounts. Included in the \$2,835,831.59 was the sum of \$2,523,775. which represented \$2,523,775. par value of unsold five and one half percent first preferred stock, the issue and sale of which is authorized by Decision No. 22488, dated May 27, 1930. The company at this time does not intend to proceed with the sale of the said five and one half percent preferred stock. It does, however, plan to undertake the sale of six percent preferred stock in the amount of \$5,000,000. We believe that applicant and Mt. Shasta Power Corporation have need for the moneys which applicant will realize through the sale of the \$5,000,000. of six percent/^{first} preferred stock, and that its request for permission to issue such stock should be granted subject to the provisions of the order herein.

ORDER

Pacific Gas and Electric Company having asked permission to issue and sell at not less than \$25.00 per share, 200,000 shares of

its six percent first preferred stock, and to expend the proceeds for the purposes indicated in the foregoing opinion, the Commission having considered the request of applicant and being of the opinion that a hearing is not necessary in this matter, that the money, property or labor to be procured or paid for by the issue of said stock is reasonably required by applicant for the purposes herein stated, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED, that Pacific Gas and Electric Company be, and it hereby is, authorized to issue and sell on or before December 31, 1932 at not less than \$25.00 per share, for cash, 200,000 shares of its six percent first preferred capital stock of the par value of \$25.00 per share, of the aggregate par value of \$5,000,000.

IT IS HEREBY FURTHER ORDERED, that Pacific Gas and Electric Company may use the proceeds which it will receive from the sale of said stock 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 to those of Mt. Shasta Power Corporation, all as referred to in Exhibits "B", "C", "D" and "E", filed in Application No. 17783, provided that the proceeds from the sale of said stock may be used through such reimbursement only to finance expenditures which are properly chargeable to investment or fixed capital accounts, or to pay the cost of extensions, betterments, additions and improvements which are properly chargeable to fixed capital accounts.

IT IS HEREBY FURTHER ORDERED, that Pacific Gas and Electric Company shall keep such record of the issue, sale and delivery of the stock herein authorized to be issued and of the disposition of the proceeds as will enable it to file on or before the 25th day of

each month 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.

IT IS HEREBY FURTHER ORDERED, that the authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 25th day of January, 1932.

C. C. Kearney
John W. Dwyer
W. J. Cunn
W. B. Harris
Frederic G. Stewart
Commissioners.