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Decision No. 11152

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
LOS ANGELES GAS AND ELECTRIC CORPO-
RATION for an order authorizing the
issuance and sale of its preferred
capital stock in the amount of
\$3,000,000.00.

ORIGINAL

Application Number 8324.

Paul Overton, for Applicant.

BENEDICT, COMMISSIONER:

O P I N I O N

LOS ANGELES GAS AND ELECTRIC CORPORATION asks permission in this proceeding to issue and sell at not less than \$90.00 per share 30,000 shares (\$3,000,000.00 par value) of its 6% cumulative preferred stock and use the proceeds to pay the cost of extensions, additions and betterments to its plants, and the cost of selling the stock.

Applicant has an authorized stock issue of \$30,000,000.00 divided into \$20,000,000.00 of common and \$10,000,000.00 of preferred. As of October 1, 1922 it reports \$10,000,000.00 of the common and \$4,732,000.00 of the preferred stock issued and outstanding.

The Commission has heretofore authorized applicant to issue and sell \$7,000,000.00 of its preferred stock. Applicant's Exhibit No. 2 shows that as of October 13, 1922 \$6,382,100.00 of the stock had been sold at prices ranging from \$85. to \$90. per share, and leaving \$617,900. of stock unsold. The \$6,382,100.00 includes stock sold on installment payments for which certificates of stock will not be issued until the stock is fully paid.

In Exhibit No. 4 applicant reports the estimated cost of 1923 betterments approved to date at \$2,737,000.00. This account consists of the following:-

GAS WORKS

One 10-million foot holder	\$677,000.	
One 6-million foot holder	438,000.	
Two 1-million c.f. per hour		
compressors	<u>212,000.</u>	\$1,327,000.

ELECTRIC WORKS

One 17,500 K.W. turbo generator with boilers and condensing apparatus		760,000.
Pipe fittings etc. amounting to at least		<u>650,000.</u>

TOTAL \$2,737,000.00

It is of record that applicant has contracted for the two gas holders, the two gas compressors and the 17,500 K.W. turbo generator. It is believed that the proceeds from the sale of stock and bonds heretofore authorized to be issued by the Commission will be sufficient to pay for applicant's 1922 construction expenditures.

Applicant therefore requests permission to use the proceeds from the \$3,000,000.00 of stock covered in this application to pay in part the construction expenditures reported in Exhibit No. 4.

I herewith submit the following form of order:-

ORDER

LOS ANGELES GAS AND ELECTRIC CORPORATION having applied to the Railroad Commission for permission to issue 30,000 shares (\$3,000,000. par value) of its 6% cumulative preferred stock, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in this order, and that the expenditures authorized are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Los Angeles Gas and Electric Corporation be, and it is hereby, authorized to issue 30,000 shares (\$3,000,000.00 par value) of its 6% cumulative preferred stock.

The authority herein granted is subject to the following

conditions:-

1. The stock herein authorized to be issued shall be sold by applicant for cash at not less than \$90. per share. Of the proceeds realized applicant may use an amount not to exceed the equivalent of \$2.50 per share to pay commissions and expenses incidental to the sale of the stock. The remainder of the proceeds, including such portion of the said \$2.50 per share not necessary to pay commissions and expenses incidental to the sale of the stock, shall be used by applicant to pay in part the cost of the additions and extensions to its plants, properties and equipment set forth in its Exhibit No. 4, filed in this proceeding.

2. Los Angeles Gas and Electric Corporation shall keep such record of the issue and sale of the stock herein authorized 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 in so far as applicable, is made a part of this order.

3. The authority herein granted will apply only to such stock as may be issued, sold and delivered on or before June 30, 1923.

The foregoing Opinion and Order and hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 23^d day of October, 1922.

James Martin

Charles H. ...

J. J. ...

Commissioners.