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Decision No. 6803.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of
PACIFIC GAS AND ELECTRIC COMPANY,
a corporation, for an order of the
Railroad Commission authorizing appli-
cant to reimburse its treasury for
capital expenditures and to finance
the construction of additions, exten-
sions, betterments and improvement to
its properties as set forth herein.

Application Number 4980

C.P. Catten, for applicant.

DEVLIN, Commissioner.

O P I N I O N.

PACIFIC GAS AND ELECTRIC COMPANY asks permission to use part of the proceeds from the sale of its first preferred stock, the issue of which has heretofore been authorized by the Railroad Commission, to reimburse its treasury because of earnings expended up to July 31, 1919 to pay for improvements, extensions, additions and betterments, and to use part of the proceeds to pay for the construction of improvements, extensions, additions and betterments subsequent to July 31, 1919.

Applicant reports that on July 31, 1919, there was due it \$2,010.50 on stock sold under the authority granted in Decision No. 3023, as amended, and \$643,473.00 due on stock sold under the authority granted in Decision No. 6448. In Decision No. 6468, applicant was authorized to issue 35,000 shares of its first preferred stock. It reports the sale of 32,914 shares, on which there was due September 17, 1919, the sum of \$2,814,147.00, leaving 2086 shares of stock unsold.

The aggregate amount due on stock sold is reported by applicant at \$3,459,630.50. Applicant asks permission to use these \$3,459,630.50, when collected, as well as the proceeds which it will obtain from the sale of 2086 shares of stock, for the purposes above indicated.

In Exhibit "B", applicant reports \$2,818,317.27 expended on capital account. The testimony shows that the \$2,818,317.27 represents net construction expenditures and that no stock or bonds have been issued against such expenditures.

In Exhibit "C", attached to the petition, applicant reports its estimated expenditures for improvements, extensions, additions and betterments subsequent to July 31, 1919, at \$6,300,317.91.

After reimbursing its treasury from the proceeds of the sale of stock in the amount of \$2,818,317.27, applicant will have available from stock now sold \$641,313.23 to pay for the construction of extensions, additions and betterments subsequent to July 31, 1919. It has authority from the Commission to sell \$208,600.00 additional first preferred stock.

While recommendation that this application be granted is made, it is with the understanding that the authority herein granted to expend proceeds from the sale of stock, be not interpreted as an approval of applicant's entire construction program, outlined in Exhibit "C", but only an approval of such program to the extent that proceeds are available to pay for construction of improvements, extensions, additions and betterments. It is not necessary to indicate to the company the order in which it shall carry out its construction program referred to in Exhibit "C". Such order should in the first instance be left to the judgment of its officers. Of course, the proceeds from the sale of stock may be used to pay only expenditures on capital accounts as such accounts are defined by the classification of accounts of the Railroad Commission.

Applicant shall file monthly reports showing its entire expenditures for the construction or acquisition of improvements,

extensions, additions and betterments.

I herewith submit the following form of Order.

O R D E R.

PACIFIC GAS AND ELECTRIC COMPANY having applied to the Railroad Commission for permission to use proceeds from the sale of first preferred stock to reimburse its treasury and to pay construction expenditures, a public hearing having been held and the Railroad Commission being of the opinion that this application should be granted,

IT IS HEREBY ORDERED that PACIFIC GAS AND ELECTRIC COMPANY be, and it is hereby, authorized to use \$2,818,317.27 obtained from the sale of stock, the issue of which was authorized by Decision No. 3023 as amended, Decision No. 6448 and Decision No. 6468, to reimburse its treasury because of earnings expended to pay for the construction of improvements, extensions, additions and betterments prior to July 31, 1919, as outlined in Exhibit "B" attached to the petition herein.

IT IS HEREBY FURTHER ORDERED that PACIFIC GAS AND ELECTRIC COMPANY be, and it is hereby, granted authority to use \$641,313.23 due on stock subscriptions referred to in the petition herein as well as the proceeds obtained from the sale of \$206,600.00 par value of stock, the issue of which is authorized by Decision No. 6468, to pay in part for the construction of improvements, extensions, additions and betterments subsequent to July 31, 1919, as outlined in Exhibit "C" attached to the petition herein.

The authority herein granted is subject to the condition that applicant will keep such record of the expenditures herein authorized as will enable it to file on or before the twenty-fifth 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; and subject to the further condition that applicant file with the Railroad Commission monthly reports showing its total expenditures for the construction or acquisition of improvements, extensions, additions and betterments.

IT IS HEREBY FURTHER ORDERED that Decision No. 3023 as amended and Decision No. 6448^{and 6469} shall remain in full force and effect except as modified by this decision.

The foregoing Opinion and Order are 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 28th day of October, 1919.

Edwin C. Edgerton
H. H. Loveland
Stanley R. Brown
H. A. Anderson

Commissioners.