

Decision No. 7568

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

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In the Matter of the Application)
of SAN DIEGO CONSOLIDATED GAS AND)
ELECTRIC COMPANY, a corporation,) Application No. 5416
for authority to issue and sell)
\$555,800. par value of stock.)

Chickering and Gregory, by
Allen Chickering, for applicant.

LOVELAND, Commissioner.

O P I N I O N.

In this application, as amended, San Diego Consoli-
dated Gas & Electric Company asks permission to issue and sell
\$500,000. of its 7% preferred stock and \$55,800. of its common
or 7% preferred stock to pay in part for construction expendi-
tures incurred or to be incurred prior to December 31, 1920.

Applicant reports that it has incurred or will incur
prior to December 31, 1920, expenditures on capital account in
the sum of \$533,600.75 which it desires to pay through the issue
of stock. The \$533,600.75 is arrived at by the following method
of accounting:

Uncapitalized balance of construction expenditures on Feb. 28, 1919, as shown in Decision No. 6373 . . .	\$9,924.21
Actual net construction expenditures, February 28, 1919 to December 31, 1919	317,660.88
Increased Working Capital allowed in Dec. No. 6373	86,000.00
	<u>\$413,585.09</u>
Estimated construction expenditures, as shown in Exhibit 6 attached to the petition herein . . .	634,125.00
Carried forward	\$1,047,710.09

Brought forward . . . \$1,047,710.09

Against which have been issued under Decision No. 6272, \$226,900. par value of preferred stock, proceeds from which was \$218,456.00		
Cash derived from earnings, Feb. 28, 1919 to December 31, 1919	\$80,916.18	
Cash to be derived from earnings Jan. 1, 1920 to Dec. 31, 1920	<u>214,737.16</u>	<u>514,109.34</u>
		\$533,600.75

It was applicant's original intention to sell \$555,800.00 of its 7% preferred stock to obtain the necessary moneys to pay for the construction of extensions, additions and betterments. On May 6th it filed an amendment to the application wherein it requests permission to issue \$500,000. of its preferred stock at not less than 96, and \$55,800. of its common stock at not less than par, or \$55,800.00 of its preferred stock at not less than 96. It is applicant's intention to sell some of its common stock to its employees or others already interested in its business.

I herewith submit the following form of order:

ORDER

SAN DIEGO CONSOLIDATED GAS & ELECTRIC COMPANY having applied to the Railroad Commission for permission to issue \$555,800. of stock, a public hearing having been held and the 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 purposes specified in the order, and that such purposes are not in whole or in part reasonably chargeable to operating expense or to income;

IT IS HEREBY ORDERED that San Diego Consolidated Gas and Electric Company be, and it is hereby, authorized to issue \$500,000. of its 7% preferred stock and common stock or addi-

tional preferred stock of the par value of \$55,800.00.

The authority herein granted is subject to the following conditions:-

1. The preferred stock herein authorized to be issued shall be sold by applicant, for cash, at not less than 96% of its par value and accrued dividends and the common stock, for cash, at not less than par.


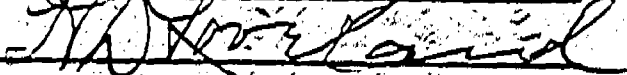

2. The proceeds obtained from the sale of the stock shall be used to pay the cost of constructing the extensions, additions and betterments referred to in this application and in the schedules attached to the petition herein, or pay indebtedness ^{incurred on account} of constructing such extensions, additions and betterments.

3. San Diego Consolidated Gas and Electric Company 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.

4. The authority herein granted will apply only to such stock as may be issued and sold on or before December 31, 1920.

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 13th day of May, 1920

Commissioners.