

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application	)	
of the Pacific Light and Power	)	
Corporation for an order autho-	)	Application No. 619
rizing the issue of stock.	)	

S. M. Haskins for applicant.

EDGERTON, Commissioner.

O P I N I O N

This is an application by Pacific Light and Power Corporation for an order authorizing the issue of \$2,500,000 par value of first preferred capital stock.

Applicant is an electrical corporation generating electricity and distributing it in portions of the counties of Los Angeles, Orange, Riverside and San Bernardino and cities and towns in that territory. The condition of its capitalization is as follows:

STOCK

Authorized:

First Preferred .....	\$ 5,000,000
Second Preferred .....	10,000,000
Common .....	25,000,000

Issued:

First Preferred .....	1,182,000
Second Preferred .....	9,975,000
Common .....	10,579,500

BONDS

Authorized .....	48,800,000
Issued .....	20,737,000

Applicant shows net corporate income for the last fiscal year after deducting fixed charges of \$619,136.16 and deducting 6

per cent dividends on the outstanding first preferred capital stock at December 31, 1912, would leave \$548,216.16 available for the payment of dividends on the stock herein proposed to be issued.

Applicant proposes to sell the stock herein asked to be authorized for 80 per cent of par, which will produce \$2,000,000 cash, and to expend these proceeds upon its Big Creek project, which is a hydroelectric development, the total estimated cost of which is \$12,230,000, on which there has been expended to June 1, 1913, \$8,606,739, leaving a balance required to complete this project, of \$3,623,261.

Applicant's representatives testified that since the filing of the application herein, moneys have been expended out of income for the purposes set out in the application as those for which the money received from the sale of the stock herein asked to be authorized are to be used, and it is requested that as to such expenditures the treasury be reimbursed out of the proceeds of the sale of this stock. Representatives of applicant testified that the value of its property exceeds the amount of its indebtedness, but without determining the correctness of applicant's estimate of the value of its property, it appears that the sale of the stock herein asked to be authorized will place no additional fixed charge upon this company, but on the other hand, will produce \$2,000,000 additional value of property, and to that extent will increase the security of the bonds now outstanding. Furthermore, it will permit of the completion of the large hydroelectric development at Big Creek, which will put applicant in a position to deliver a large amount of additional power with a resulting large increase in income.

I recommend that the application be granted and submit herewith the following form of order:

O R D E R

Application having been made to the Railroad Commission

of the State of California by Pacific Light and Power Corporation for an order authorizing the issue by said company of \$2,500,000 of its first preferred capital stock.

And a hearing having been duly held and it appearing to the Commission that the money to be secured by the issue of said stock is necessary and reasonably required by said company for the purpose of increasing its facilities and making additions and betterments to its plant, and that the purposes for which the proceeds of the sale of said stock are to be used are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that the Railroad Commission of the State of California does hereby authorize the issue by Pacific Light and Power Corporation of \$2,500,000 of its first preferred capital stock. Said stock to be issued upon the following conditions, not otherwise:

1. Pacific Light and Power Corporation shall sell the stock hereby authorized so as to net said corporation not less than 80 per cent of the par value thereof.

2. The proceeds from the sale of said stock shall be used for the following purposes only:

a- The construction of additions and betterments to its plant and equipment as set out in detail in Exhibit B attached to the application on file herein.

b- Provided, that applicant may reimburse its treasury out of the proceeds of the sale of stock hereby authorized for moneys expended out of income since the filing of the application herein for the purposes set out in said application as the purposes for which the proceeds of the stock asked to be authorized were to be used.

3. Said company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of said stock hereby authorized to be issued, and

on or before the 25th day of each month the company shall make a verified report to the Commission in accordance with the Commission's General Order No. 24, stating the sale or disposition of such stock during the preceding month, the terms and conditions of such sale or other disposition, the moneys realized therefrom and the use and application of such moneys.

4. The authority hereby given to issue such stock shall apply only to stock issued by said company on or before the 1st day of August, 1914.

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 30<sup>th</sup> day of July, 1913.

John M. Eschleman  
Edwin D. Edgerton  
Edwin D. Edgerton

Commissioners.