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Decision No. 9627.

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 its first)
preferred stock to the par value of)
\$2,000,000. and to use the proceeds)
from the sale of said first preferred)
stock in the manner and for the pur-)
poses set forth herein.)

Application Number 7234.

C. P. Cutten, for Applicant.

BENEDICT, COMMISSIONER.

O P I N I O N

PACIFIC GAS AND ELECTRIC COMPANY, in this proceeding, asks permission to issue and sell at not less than \$80. per share, 20,000 shares (\$2,000,000.) of its 6% cumulative first preferred stock and use the proceeds to pay in part actual or estimated construction expenditures reported in exhibits filed in this proceeding.

Pacific Gas and Electric Company has an authorized stock issue of \$160,000,000. divided into \$50,000,000. of first preferred, \$10,000,000. of original preferred and \$100,000,000. of common.

In its Exhibit "A" applicant, as of August 31, 1921, reports stock outstanding as follows:-

First preferred		\$37,452,005.00
Original preferred		55,800.00
Common:		
In hands of public	\$34,004,058.00	
Owned by subsidiary companies	<u>31,696,866.66</u>	
TOTAL COMMON		<u>\$65,700,924.66</u>
TOTAL STOCK		103,208,729.66
<u>LESS</u> Common stock owned by subsidiary companies		<u>31,696,866.66</u>
TOTAL STOCK IN HANDS OF PUBLIC . . .		<u><u>\$71,511,863.00</u></u>

In Exhibit "2" applicant reports its unreimbursed capital expenditures as of August 31, 1921 at \$1,500,474.88

Exhibit "2" shows the following:-

Unreimbursed Capital Expenditures of the Pacific Gas and Electric Co. as of November 30, 1920,--as per Exhibit "B" of Application No. 6585		\$1,136,709.96
Total Construction Expenditures of the Pacific Gas and Electric Co. November 30, 1920 to August 31, 1921, as reported in monthly statements to Railroad Commission		5,268,464.88
Total Construction Expenditures of the Mt. Shasta Power Corporation from April 30, 1917 to and including August 31, 1921		<u>10,317,347.74</u>
TOTAL		\$16,722,522.58
Total cash received since November 30, 1920 from sale of securities and amount of unpaid stock subscriptions and proceeds to be received from sale of unsold stock as of August 31, 1921, reported in Exhibit "1", in Application No. 7234		<u>15,222,047.70</u>
Unreimbursed Capital Expenditures as of August 31, 1921		<u>\$ 1,500,474.88</u>

In Exhibit "3" applicant reports its authorized estimated construction expenditures on its own system subsequent to August 31, 1921 at \$1,433,648.95. The authorized estimated construction expenditures subsequent to August 31, 1921 on the properties of the Mt. Shasta Power Corporation, all of whose outstanding

stock is owned by applicant, are reported in Exhibit "4" at \$11,539,312.77. The total of the unreimbursed construction expenditures and of the authorized estimated construction expenditures subsequent to August 31, 1921 reported in Exhibits 2, 3 and 4 aggregates \$14,473,436.60.

It is not necessary for the Commission in this proceeding to approve all of the \$14,473,436.60 of actual or estimated construction expenditures. Applicant asks authority to issue but \$2,000,000.00 of stock. Only expenditures properly chargeable to capital account under the Classification of Accounts adopted or prescribed by this Commission may be financed through the issue of \$2,000,000.00 of stock.

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 authority to issue 20,000 shares (\$2,000,000.) of its first preferred 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 purpose specified in this order, and that the expenditures herein permitted are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it is hereby, authorized to issue, sell and deliver for cash at not less than \$80. per share on or before April 1, 1922, 20,000 shares (\$2,000,000.) of its 6% first preferred stock and use the proceeds to finance in part the actual or estimated construction expenditures reported in its Exhibits 2, 3 and 4 filed in this proceeding, provided that the expenditures are properly chargeable to capital account under the Classification of Accounts prescribed or adopted by this Commission, and provided further that Pacific Gas

and Electric Company will 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.

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 21st day of October, 1921.

H. S. Howard
Robert F. Powell
J. J. Bennett
Commissioners.