

Decision No. 33684

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
COAST COUNTIES GAS AND ELECTRIC COMPANY,
a corporation, for an order authorizing
applicant to issue certain shares of
stock.

Application No. 23664

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

The opinion in Decision No. 23449, dated September 3, 1940, contains a paragraph reading as follows:

"As indicated in the foregoing balance sheet, Coast Counties Gas and Electric Company has on its books \$257,233 of discount on its 6% first preferred stock. The premium which it will receive from the sale of the 5% first preferred stock it proposes to credit to capital surplus. It will then exhaust the capital surplus by charging to it the said \$257,233 and some of the expenses incident to the issue of the 5% first preferred stock. The remainder of the expenses it will amortize by charges to earned surplus at the rate of \$37,500 per annum. This procedure is not in conformity with the system of accounts prescribed by the Commission. Applicant should file with the Commission the reasons why it desires to depart from the instructions contained in said system of accounts and its justification for such departure.

Upon the receipt thereof, we will give the matter further consideration."

Coast Counties Gas and Electric Company has now filed with the Commission its reasons for crediting to capital surplus the premium which it will receive upon the sale of said 150,000 shares of 5% first preferred stock and for charging against such capital surplus the discount suffered upon the sale of its 6% first preferred stock and expenses incident to the sale of said 5% first preferred stock.

The Commission has given further consideration to applicant's requests and believes that for accounting purposes, and for said purposes only, such requests may be granted, therefore

IT IS HEREBY ORDERED that the order in Decision No. 30269, dated October 25, 1937, as amended by Decision No. 30339, dated November 15, 1937, be, and the same is hereby, modified so as to permit Coast Counties Gas and Electric Company to transfer the premium received from the sale of its 150,000 shares of 5% first preferred stock to capital surplus and charge against said capital surplus the discount suffered upon the sale of its 6% first preferred stock and expenses incident to the sale of said 5% first preferred stock.

Dated at San Francisco, California, this 11th day of September, 1940.

Ray L. Sawyer

Ray L. Sawyer

Justus J. Casmen
Commissioners.