

ORIGINAL

Decision No. 42717

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SAN DIEGO GAS & ELECTRIC COMPANY,	:	
a corporation, for authority to issue)	
and sell 300,000 shares of its Cumula-	:	Application
tive Preferred Stock 4 1/2% Series--\$20)	No. 30112
Par Value, and for an order of this	:	(First Supplemental)
Commission exempting Applicant from the)	
requirement that such shares be sold at	:	
public bidding.)	
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SECOND SUPPLEMENTAL ORDER

The Commission by Decision No. 42665, dated March 29, 1949, authorized San Diego Gas & Electric Company to issue and sell, at a price fixed by the Commission in a supplemental order, 300,000 shares of its cumulative preferred stock, 4-1/2% Series, \$20 par value.

Applicant reports that due to the creation of the new series of preferred stock, it is appropriate that Applicant adopt new forms of stock certificates for its cumulative preferred stock, 5% Series, \$20 par value now issued and outstanding, for its common stock now issued and outstanding and for the new series of cumulative preferred stock, 4-1/2% Series, \$20 par value. Attached to its supplemental application as Exhibit "B" is the present form of Applicant's common stock certificate, as Exhibit "C" its present form of cumulative preferred stock, 5% Series, \$20 par value, and as Exhibit "D" the form which Applicant has adopted and proposes to use as the form of certificate for the newly created series of cumulative preferred stock, 4-1/2% Series, \$20 par value. Until the

exhaustion of the present supply of common stock certificates and certificates for cumulative preferred stock, 5% Series, \$20 par value, Applicant proposes to over-print diagonally in red on the summary of preferences, privileges and restrictions printed on the reverse side of such forms of certificates for common and cumulative preferred stock, 5% Series, \$20 par value, the following:

"On March 28, 1949, the Board of Directors, by resolution, provided for a series of Cumulative Preferred Stock designated 'Cumulative Preferred Stock, 4½% Series, \$20 par value' and fixed the number of shares constituting such series at 300,000 shares, the dividend rate at 4½% of the par value thereof per annum, the involuntary liquidation preference at \$20 per share and the voluntary liquidation preferences and the redemption prices at \$22.00 per share to and including March 31, 1954, \$21.80 per share to and including March 31, 1959, \$21.60 per share to and including March 31, 1964, and \$21.20 per share thereafter. The said series is not entitled to any conversion rights."

Upon the exhaustion of Applicant's existing supply of said certificates, it is proposed that the new certificates therefor will be identical as to face with the existing common stock certificates and cumulative preferred stock, 5% Series, \$20 par value certificates, respectively, and on the back side the same will be identical with the back side of the proposed certificate for cumulative preferred stock, 4-1/2% Series, \$20 par value. Applicant asks the Commission to approve the new forms of stock certificates.

Applicant further reports that it has received three bids for the purchase of said shares of stock, and that it has accepted the bid of the group headed by Blyth & Co., Inc. at \$19.81 per share plus accrued dividends from April 1, 1949. It asks permission to sell said shares of stock at that price.

The Commission has considered Applicant's supplemental application and is of the opinion that Applicant's requests contained therein should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. San Diego Gas & Electric Company may issue and sell, on or before May 31, 1949, at \$19.81 per share, 300,000 shares of its cumulative preferred stock, 4-1/2% Series, \$20 par value, and use the proceeds derived from the sale of said shares of stock to pay its expenses incident to the issue and sale of said shares of stock, to reimburse its treasury due to capital expenditures made on or prior to December 31, 1948, and to pay in part the cost of capital expenditures made or to be made during the year 1949.
2. San Diego Gas & Electric Company may issue from time to time, stock certificates similar in form to the stock certificates set forth in its supplemental application on file in this application.
3. San Diego Gas & Electric Company shall, on or before October 31, 1949, file with the Commission a report showing the names of the Underwriters to whom said shares of stock were sold, the number of shares of stock sold to each Underwriter, the consideration received for said shares of stock, the purposes for which it expended the proceeds obtained from the issue and sale of said shares of stock and the expenses incurred in connection with the issue and sale of said shares of stock.
4. San Diego Gas & Electric Company shall complete the filing with the Commission, within thirty (30) days after the date hereof, of its registration statement filed with the Securities and Exchange Commission covering the issue of said shares of stock.
5. The authority herein granted is effective upon the date hereof.

Dated at San Francisco, California, this 19th day
of April, 1949.

W.R. Z. Johnson

Justin J. Quillen

Robert L. Russell

Harold P. Huls

Harvey P. Potter
Commissioners