

In financial statements filed with the Commission, applicant has reported its revenues for the last two calendar years as follows:

	<u>1950</u>	<u>1949</u>
Operating revenues -		
Electric	\$2,853,621.18	\$2,570,252.97
Gas	1,185,711.41	1,296,572.41
Water	221,542.78	221,550.86
Telephone	41,644.94	31,560.90
Gas Wholesale	<u>26,990.26</u>	<u>38,125.38</u>
Total operating revenues	<u>\$4,329,510.57</u>	<u>\$4,158,062.52</u>

After paying operating expenses, interest, and other income charges, and dividends on preferred stock, applicant reported net income available for common stock in the amount of \$411,510.25 during 1950 and \$267,877.93 during 1949.

As of December 31, 1950, applicant reported its investment in utility plant in the amount of \$12,367,251.88 and in other physical property in the amount of \$565,555.42, a total of \$12,932,807.30, and its reserves for depreciation in the aggregate amount of \$2,750,548.80. Its financial statements show that it has financed its net investment in its properties in part through the issue of first mortgage bonds and shares of preferred and common stock. Its capital structure at the close of 1950 is indicated below:

Bonds	\$ 5,225,000	49%
Preferred stock	2,157,620	20%
Equity capital -		
Common stock	\$1,916,300	
Premium	391,613	
Surplus	<u>1,067,945</u>	
Total equity	<u>3,375,858</u>	<u>31%</u>
Total	<u>\$10,758,478</u>	<u>100%</u>

It appears that at present applicant is authorized by its Articles of Incorporation to issue 360,000 shares of stock of the

par value of \$20 each, divided into 160,000 shares of preferred stock issuable in two or more series, and 200,000 shares of common stock, with voting rights on the basis of one vote for each share of stock, both preferred and common. The number of shares of each class outstanding and the par value thereof are as follows:

	<u>Number of Shares</u>	<u>Par Value</u>
Preferred stock -		
5% cumulative preferred	71,750	\$1,435,000
5½% cumulative convertible preferred	<u>36,131</u>	<u>722,620</u>
Sub-total	107,881	2,157,620
Common stock	<u>95,815</u>	<u>1,916,300</u>
Total	<u>203,696</u>	<u>\$4,073,920</u>

Applicant has decided to split up its shares of common stock at the rate of two for one for the reason that it believes such an action will broaden the market for such shares and will result in a wider distribution and an increased number of shareholders, which it believes will be beneficial in future financing. On February 5, 1951, its Board of Directors approved an amendment to the Articles of Incorporation which would change each outstanding common share of the par value of \$20 each into two new fully-paid and nonassessable common shares of the par value of \$10 each. In order to equalize voting power on a par value basis, the amendment would give two votes to each share of preferred stock and one vote to each share of common stock. The action will not result in any change in the total stated capital.

The presently outstanding shares of 5-1/2% cumulative convertible preferred stock, at the option of the holders thereof, are convertible into shares of common stock on the basis of .652742 shares of common stock for each share of said preferred stock. If the proposed split-up should become effective, the conversion basis will be changed to 1.305484 shares of new common stock for each

share of convertible preferred stock.

As a result of the amendment to the Articles of Incorporation, applicant proposes to adopt new forms of certificates for each of its classes of stock. It has filed a copy of each of said forms and has requested the Commission to approve the same.

ORDER

The Commission having considered the above entitled matter, and being of the opinion that a public hearing thereon is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required by applicant for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. California-Pacific Utilities Company, upon amending its Articles of Incorporation as indicated herein, may issue such number of shares of common stock of the par value of \$10 each in exchange for shares of common stock of the par value of \$20 each as may be required on the basis of two new common shares for each common share of the par value of \$20.
2. California-Pacific Utilities Company may issue, from time to time, such number of shares of common stock of the par value of \$10 per share as may be required to effect the conversion of its outstanding shares of 5-1/2% cumulative convertible preferred stock.

3. California-Pacific Utilities Company, from time to time, may issue stock certificates similar in form to the stock certificates set forth and referred to in this application, which forms hereby are approved.

4. California-Pacific Utilities Company shall file with the Commission a certified copy of its Articles of Incorporation, as amended, such filing to be made on or before September 30, 1951.

5. The authority herein granted is effective upon the date hereof.

Dated at San Francisco, California, this 20th day of February, 1951.

P. J. [Signature]
Justice J. Calver
Harold A. Kula
John E. Mitchell
Commissioners