

Decision No. 53195

ORIGINAL

BEFORE THE PUBLIC UTILITIES 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 Public
Utilities Commission of the State of
California authorizing applicant, among
other things, to issue, sell, and deliver
shares of its common capital stock in the
manner, to the amount, and for the pur-
poses set forth herein; and relieving
applicant of the necessity of complying
with the requirements of Section A, 1 of
said Commission's General Order No. 24-A.
(Financial - Common Stock)

Application
No. 38041
(First Supplemental)

FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 53176, dated June 4, 1956, the Commission authorized Pacific Gas and Electric Company to issue and sell not exceeding 812,791 shares of its common stock. The order in said decision provides that the authority granted to issue and sell said shares of stock will become effective when the Commission by a supplemental order has fixed the price at which said shares may be sold.

In a first supplemental application filed in this proceeding on June 11, 1956, applicant asks the Commission for authority to issue, sell and deliver said shares of stock at \$45.00 a share, upon subscription pursuant to rights evidenced by transferable warrants issued to the holders of its presently outstanding shares of common stock and to issue, sell and deliver to underwriters at not less than \$45.00 a share, such of said shares as have not been subscribed and paid for pursuant to the offering to applicant's stockholders. It has filed with said supplemental application a copy of a proposed underwriting agreement with a syndicate represented by Blyth & Co., Inc., under which the unsubscribed shares of stock will be sold.

Under the terms of the agreement the underwriters will purchase the unsubscribed shares at the same price at which such shares will be offered to shareholders and in addition will pay to applicant an amount equivalent to 65% of the excess over such price at which they may dispose of such shares. If any of the unsubscribed shares shall remain unsold by the underwriters at the close of business after the expiration of 15 full business days following the shareholders' subscription period, then such shares shall be deemed to have been sold at the average sale price of applicant's common shares on the New York stock exchange on that day, or, if no shares are traded on that day, then at the closing bid price on such exchange. Under the agreement, applicant will pay the underwriters for their commitments and obligations the sum of 40 cents a share for each of the 812,791 shares plus an amount equal to 80 cents a share for each share, up to a maximum of 325,000 shares, acquired by the underwriters upon the exercise of subscription warrants purchased by or for the accounts of the underwriters.

The Commission has considered the first supplemental application and is of the opinion it should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Pacific Gas and Electric Company may issue, sell and deliver upon subscription pursuant to rights evidenced by transferable warrants to be issued to the holders of record of its common stock at the close of business on June 12, 1956, at \$45.00 a share, the 812,791 shares of common stock authorized by the order in Decision No. 53176, dated June 4, 1956.

2. Pacific Gas and Electric Company may issue, sell and deliver to underwriters, at not less than \$45.00 a share, such of

said 812,791 shares of common stock as have not been subscribed and paid for pursuant to the offering to applicant's stockholders, such sale to be made under and in accordance with the terms and conditions of the underwriting agreement filed with the first supplemental application in this proceeding.

3. The authority herein granted is effective upon the date hereof. Under such authority no shares of stock may be issued, sold and delivered after December 31, 1956.

Dated at San Francisco, California, this 12th day of June, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners