

ORIGINAL

Decision No. 53831

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

GEORGIA-PACIFIC CORPORATION

for an order of exemption.

Application No. 38453

OPINION AND ORDER

Georgia-Pacific Corporation has filed this application for an order exempting it from the provisions of Article 5, Chapter 4, Part 1, Division 1 of the California Public Utilities Code.

Said Article 5 defines the jurisdiction of the Commission over the issue of securities by public utilities. Section 829 of the article reads as follows:

"This article shall not apply to any person or corporation which transacts no business subject to regulation under this part, except performing services or delivering commodities for or to public utilities or municipal or other public corporations primarily for resale or use in serving the public or any portion thereof but shall nevertheless apply to any public utility if the commission finds, in a proceeding to which the public utility is or may become a party, that the application of this article is required by the public interest. The commission may from time to time by order or rule, and subject to such terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from the provisions of this article if it finds that the application thereof to such public utility or class of public utility is not necessary in the public interest."

Georgia-Pacific Corporation owns timber and timber lands in the western states and is engaged in the timber business. In addition, it owns all the capital stock of another timber company, Feather River Pine Mills Co., a Nevada corporation, which, in turn, owns all the outstanding capital stock of Feather River Railway Co.,

a California corporation which is engaged in business as a railroad corporation as defined in Section 230 of the Public Utilities Code. Said Section 230 reads as follows:

"'Railroad corporation' includes every corporation or person owning, controlling, operating, or managing any railroad for compensation within this State."

Georgia-Pacific Corporation now is undertaking to issue \$15,388,800 of debentures in connection with the acquisition of the assets of Hammond Lumber Company. It asserts that some question exists with respect to the regulatory authority of the Commission over the issue of its securities because of the indirect control through stock ownership over Feather River Railway Co. and it has filed this application to clarify the matter and to avoid the adverse effects which might follow a judicial ruling that the Commission does or might have jurisdiction over securities issued by it.

The Commission has considered this application without a hearing and is of the opinion that it should issue an order as requested; therefore,

IT IS HEREBY ORDERED, if and to the extent that this Commission has jurisdiction, that Georgia-Pacific Corporation be, and it is hereby, exempted from the provisions of Article 5, Chapter 4, Part 1, Division 1 of the California Public Utilities Code.

This order is effective on the date hereof.

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Dated at San Francisco, California, this 1st day of
October, 1956.

John E. Mitchell
President
Justin F. Caswell
Paul J. Antares
Walter D. Dade
W. H. P. P. P.
Commissioners