

ORIGINAL

Decision No. 62785

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
PACIFIC GAS AND ELECTRIC COMPANY
for authorization to split its
common shares on a three for one
basis.

Application No. 43856
Filed October 23, 1961

OPINION AND ORDER

In this proceeding Pacific Gas and Electric Company seeks authorization to reclassify its shares of common stock so as to effect a stock split on a three-for-one basis.

The company reports that presently it has outstanding 18,825,853 shares of common stock of the par value of \$25 each; that it has initiated proceedings to amend its Articles of Incorporation so as to change the par value of the common stock from \$25 to \$10; and that it proposes, subject to approval by the stockholders, to split each of the outstanding shares of common stock of the par value of \$25 into three shares of common stock of the par value of \$10. It asserts that with the consequent reduction in the market price of the common stock the split will result in a broadening of public interest in the stock; in an increase in the number of stockholders, and in a greater availability of shares for purchase and sale, all of which should help to facilitate future equity financing. The excess of the total par value of the new \$10 shares to be issued over the present \$25 shares will be charged to paid-in capital and earned surplus accounts, reducing the earned surplus by approximately \$94,000,000 to a balance of approximately \$146,000,000 and eliminating the paid-in capital of \$627,216.

The Commission has considered this application and finds and concludes that the proposed issue of shares of common stock in exchange for existing shares is for a proper purpose; that the transaction will not be adverse to the public interest; that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and that an order should be entered granting applicant's requests.

The authorization herein granted is not to be construed as a finding of value of applicant's shares of stock nor as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

A public hearing on this application is not necessary, therefore,

IT IS ORDERED that -

1. Pacific Gas and Electric Company may split its 18,825,853 outstanding shares of common stock of the par value of \$25 a share by changing each such share into three shares of common stock of the par value of \$10 a share and, in effecting such split, may issue an aggregate of 56,477,559 new shares of common stock of the par value of \$10 each.

2. Pacific Gas and Electric Company, on or before January 31, 1962, shall file with the Commission a certified copy of its Restated Articles of Incorporation as amended to reflect the reclassification of its common shares.

3. The authorization herein granted shall become effective 20 days after the date hereof.

Dated at San Francisco, California,
this 14th day of November, 1961.

Arnold J. Rose
President

[Signature]

[Signature]

George T. Dwyer

Frederic B. Halchoff
Commissioners