

ORIGINAL

Decision No. 63136

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

PACIFIC POWER & LIGHT COMPANY

for an Order authorizing it to split its common stock on a two-for-one basis.

Application No. 44074  
Filed January 3, 1962

O P I N I O N

In this application, Pacific Power & Light Company seeks authorization to issue shares of stock so as to effect a split of its common stock on a two-for-one basis.

Applicant's shares of stock have a par value of \$6.50 a share and a book value, on the basis of its October 31, 1961 balances, of approximately \$21 per share and they have been traded recently, according to published financial transactions, on the over-the-counter market at approximately 54 bid, 57 asked. Applicant has concluded to split its common shares and it asserts that such an action, with the consequent lower market price, should result in a broadening of public interest in the stock and an increase in the number of stockholders and a greater availability of shares for purchase and sale, and that this should prove beneficial to both the stockholders and the company and should facilitate future common stock financing.

To accomplish the proposed stock split, applicant is taking steps to amend its Certificate of Organization and its By-Laws so as to increase and change the common stock which it is authorized to issue from 8,212,679 shares of the par value of \$6.50 each to 16,425,358 shares of the par value of \$3.25 each, and to split and change the number of shares of its common stock of the par value of \$6.50 which shall be outstanding immediately prior to such amendments becoming effective into twice such number of its proposed new \$3.25 par value common stock. After the effective date of the proposed amendments, the certificates presently outstanding shall not be reissued but shall continue to represent the same number of the new \$3.25 par value common shares and there shall be issued to holders of record new certificates for a like number of shares. The transaction will not result in any change in the stated capital or surplus accounts.

On November 30, 1961, 6,707,165 shares of common stock were issued and outstanding and 274,196 shares were reserved for issuance under applicant's Employees' Stock Purchase Plan and for the conversion of the presently outstanding 4-3/4% Convertible Debentures. The number of shares to be issued cannot be determined at this time because of the shares so reserved. If none of such reserved shares were to be issued prior to the effective date of the stock split, an additional 6,707,165 shares of the new \$3.25 par value common stock would be issued. If all of the shares so reserved were to be issued, however, the total issue of new shares would amount to 6,981,361 shares.

The Commission has considered this application and finds and concludes that the proposed stock split 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 shares of stock herein authorized is reasonably required for the purpose specified herein; that such 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 request.

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

O R D E R

The Commission having considered the above-entitled matter and being fully apprised in the premises and being of the opinion that a public hearing is not necessary, therefore,

IT IS ORDERED that -

1. Pacific Power & Light Company may change its common stock in the manner contemplated by the proposed amendments of the Certificate of Organization and By-Laws as set forth in Exhibit B attached to the application herein.

2. Pacific Power & Light Company may issue certificates for that number of shares of its proposed new \$3.25 par value common stock, not to exceed 6,981,361 shares in the aggregate, which shall be equivalent to the number of shares of the \$6.50 par value common stock outstanding immediately prior to such amendments becoming effective.

3. Pacific Power & Light Company shall file with the Commission on or before June 30, 1962, a certified copy of its Certificate of Organization and By-Laws as amended to reflect the reclassification of its common shares in the manner set forth in this proceeding.

4. The authorization herein granted shall become effective on the date hereof.

Dated at San Francisco, California,  
this 23rd day of January, 1962.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.