

**ORIGINAL**

Decision No. 64320

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 the  
issuance of not to exceed 203,840  
shares of its Common Stock of the  
par value of \$3.25 per share under  
Applicant's Employees' Stock  
Purchase Plan.

Application No. 44780  
Filed September 13, 1962

O P I N I O N

Pacific Power & Light Company has filed this application for authorization to issue and sell not to exceed 203,840 shares of its common stock of the par value of \$3.25 a share and of the aggregate par value of \$662,480.00.

If authorized to issue the shares, applicant proposes to offer them to its employees, from time to time, in accordance with the terms and conditions of an Employees' Stock Purchase Plan which provides, among other things, for a subscription of not less than 10 shares nor more than 400 shares by any one employee in any one calendar year, for an initial payment of \$1 a share, and for payment of the remainder by payroll deduction over a period of not more than thirty-six months. The participating employees would have the right to prepay all or any part of the purchase price at any time.

The price to be paid for the shares of stock will be 95% of the average of the daily bid prices publicly quoted for such stock for the calendar month preceding the month in which an offering is commenced. Applicant estimates the price will not be less than the price it would receive if the shares were to be offered the general public through underwriters. Applicant's common shares are not listed; they have been quoted recently, on the over-the-counter market, at \$24.25 bid.

The company proposes to use the net proceeds from the sale of its shares to finance the construction, improvement and extension of its electric facilities. It reports its estimated expenditures at \$25,781,000 during the last six months of 1962, at \$56,000,000 during 1963, and at \$13,000,000 during the first three months of 1964.

Applicant's capital ratios, as of June 30, 1962, were approximately 60% for long-term debt, 9% for preferred stock, and 31% for common stock equity.

We have reviewed this application and find and conclude that the issue of additional common stock by applicant at this time is desirable; that the terms of the proposed offering are not 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; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. An order will be entered granting the application.

The authorization herein given is for the issue of stock and is not to be construed 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 has considered the above-entitled matter and has determined that a public hearing is not necessary. Good cause appearing,

IT IS ORDERED that -

1. Pacific Power & Light Company may issue not to exceed 203,840 shares of its common stock and offer said shares to its employees, from time to time, at the price and under the terms and conditions set forth in the Employees' Stock Purchase Plan and the resolutions which are filed in this proceeding. Applicant shall use the proceeds to be received from the sale of such shares for the purpose of financing, in part, the cost of constructing, improving and extending its electric facilities.

2. Pacific Power & Light Company shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California,  
this 2nd day of October, 1962.

George B. Brewer  
President

[Signature]

[Signature]

Fredrick B. Holhoff

Commissioners

Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.