

ORIGINAL

Decision No. 67377

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
PACIFIC GAS AND ELECTRIC COMPANY
for an order authorizing applicant,
among other things, to issue, sell,
and deliver shares of its common
stock in the manner, to the amount,
and for the purposes 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. 46650
First Supplemental
Filed June 15, 1964

FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 67342, dated June 10, 1964, the Commission authorized Pacific Gas and Electric Company to issue and sell not to exceed 2,259,103 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 its first supplemental application in this proceeding, applicant asks the Commission for authority to issue, sell and deliver said shares of stock at \$28.50 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 \$28.50 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 fifteen 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 18-1/2 cents per share for each of the 2,259,103 shares plus an amount equal to 70 cents a share for each share, up to a maximum of 700,000 shares, acquired by the underwriters upon the exercise of subscription warrants purchased by or for the accounts of the underwriters.

The Commission has considered this first supplemental application and finds that the granting thereof would not be adverse to the public interest. On the basis of such finding we conclude that it should be granted. A further public hearing in this proceeding is not necessary.

IT IS ORDERED that:

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 16, 1964, at \$28.50 a share, the 2,259,103 shares of common stock authorized by the order in Decision No. 67342, dated June 10, 1964.

2. Pacific Gas and Electric Company may issue, sell and deliver to underwriters, at not less than \$28.50 a share, such of said 2,259,103 shares of common stock as have not been subscribed and paid for pursuant to the offering to its 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.

