

Decision No. 81397**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )

PACIFIC POWER &amp; LIGHT COMPANY )

for an order authorizing the issuance )  
of 1,600,000 shares of its Common )  
Stock of the par value of \$3.25 per )  
share. )Application No. 53999  
(Filed April 30, 1973)O P I N I O N

Pacific Power & Light Company seeks authority to issue and sell through competitive bidding 1,600,000 shares of its \$3.25 par value common stock with estimated proceeds of \$36,000,000.

Applicant is a corporation organized under the laws of the State of Maine, and is engaged in business principally as an electric utility in the States of California, Idaho, Montana, Oregon, Washington and Wyoming. It also supplies water and steam heat service in communities outside of California. For the 12 months ended February 28, 1973, the utility reports that approximately 96.7% of its total operating revenues was derived from its electric business, and that only 5.0% of all operating revenues originated in California.

The company proposes to invite bids for the purchase of 1,600,000 shares of its \$3.25 par value common stock. The net proceeds would be used to retire previously authorized short-term notes, estimated to aggregate \$10,000,000 at the time of the sale of the stock, and to finance, in part, applicant's 1973 construction program.

The utility's reported capitalization ratios as of February 28, 1973, and as adjusted to give effect to the proposed stock issue, are as follows:

	<u>February 23, 1973</u>	<u>Pro forma</u>
Long-term debt	55.3%	53.4%
Preferred stock	11.7	11.3
Common stock equity	<u>33.0</u>	<u>35.3</u>
Total	<u>100.0%</u>	<u>100.0%</u>

After consideration the Commission finds that:

1. The proposed stock issue is for proper purposes.
2. Applicant has need for external funds for the purposes set forth in this proceeding.
3. The money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary.

In issuing our order herein, we place applicant and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return it should be allowed to earn on its investment in plant, and that the authorization herein granted is not to be construed as a finding of the value of the company's stock or properties, nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Pacific Power & Light Company may invite the submission of written sealed bids for the purchase of not exceeding 1,500,000 shares of its \$3.25 par value common stock.

2. Pacific Power & Light Company may issue and sell said shares of common stock at the price offered in the bid which would result in the highest total price for the shares to the company, calculated in the manner provided in the applicable Statement of Terms and Conditions Relating to Bids.

3. Pacific Power & Light Company shall use the net proceeds from the sale of said shares of common stock for the purposes set forth in this proceeding.

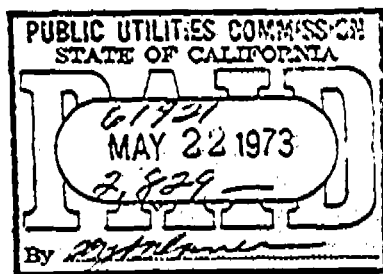
4. Promptly after awarding the contract for the sale of the securities, Pacific Power & Light Company shall file a written report with the Commission showing, as to each bid received, the name of the bidder, the price to be paid to it for the shares and the underwriters' compensation.

5. As soon as available, Pacific Power & Light Company shall file with the Commission three copies of its prospectus relating to the securities.

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

7. This order shall become effective when Pacific Power & Light Company has paid the fee computed in accordance with Section 1904.2 of the Public Utilities Code, which fee is \$2,329.

Dated at San Francisco, California, this 22nd day of MAY, 1973.



James L. Sturgeon  
President  
William J. ...  
...  
...  
Commissioners