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ORIGINAL

Decision No. 83863

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 )  
issue not exceeding 3,500,000 )  
shares of its Common Stock of )  
the par value of \$3.25 per share. )

Application No. 55357  
(Filed December 4, 1974)

O P I N I O N

Pacific Power & Light Company seeks authority to issue and sell 3,500,000 shares of its \$3.25 par value common stock with estimated proceeds of \$56,000,000.

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 outside of California. For the 12 months ended September 30, 1974, the utility reports that approximately 98.02% of its total operating revenues was derived from its electric business, and that only 4.9% of all operating revenues originated in California.

The company proposes to negotiate with at least three underwriters or groups of underwriters for the purchase of 3,500,000 shares of its \$3.25 par value common stock. The negotiations would include the underwriting compensation and the price to be paid to applicant for the shares of stock. The net proceeds would be used to retire short-term notes issued to obtain funds for temporarily financing the utility's construction program.

Applicant's reported capitalization ratios as of October 31, 1974, and as adjusted to give effect to the proposed stock issue, are as follows:

	<u>October 31, 1974</u>	<u>Pro Forma</u>
Long-term debt	55.99%	53.28%
Preferred stock	9.35	9.05
Common stock equity	<u>34.66</u>	<u>37.67</u>
Total	<u>100.00%</u>	<u>100.00%</u>

After consideration the Commission finds that:

1. The proposed stock would be 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 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  
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IT IS ORDERED that:

1. Pacific Power & Light Company, on or after the effective date hereof and on or before March 31, 1975, may issue, sell and deliver not exceeding 3,500,000 shares of its \$3.25 par value common stock on terms and conditions to be negotiated with underwriters as set forth in the application.

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

3. Promptly after Pacific Power & Light Company ascertains the underwriting compensation and the price to be paid to it for the common stock herein authorized, the company shall notify the Commission of each in writing.

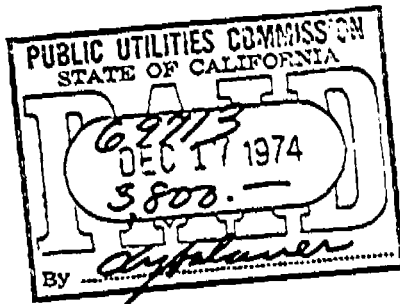
4. As soon as available, Pacific Power & Light Company shall file with the Commission three copies of its prospectus pertaining to said stock.

5. Within one month after issuing and selling the common stock herein authorized, Pacific Power & Light Company shall file with the Commission a statement, in lieu of a report under General Order No. 24-B, disclosing the purposes for which the common stock proceeds were used.

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6. 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 \$3,800.

Dated at San Francisco, California, this 17<sup>th</sup> day of December, 1974.



Vernon L. Sturgeon  
President  
William L. Brown  
[Signature]  
[Signature]  
Robert E. McLeod  
Commissioners