

ORIGINAL

Decision No. 85245

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN DIEGO GAS & ELECTRIC COMPANY, a)
corporation, for authority to issue)
and sell not exceeding 750,000 shares)
of its Common Stock, \$5 par value,)
under The Savings Plan of Applicant.)

Application No. 56080
(Filed November 20, 1975)

O P I N I O N

San Diego Gas & Electric Company seeks authority to issue and sell not exceeding 750,000 shares of its common stock in accordance with an employee savings plan.

Under its present plan employees may elect to contribute specified percentages of their compensation to a trustee for the purchase of common stock, and the utility contributes to the plan an amount equivalent to one-half of the prescribed aggregate contributions of employees, less forfeitures. This proceeding contemplates that instead of being restricted to purchasing applicant's outstanding common stock through brokers or from securities dealers, the trustee would be able to purchase new issues of such stock directly from the company on the basis of current market prices.

The company estimates that 750,000 new shares would be sufficient for meeting the requirements of the plan for a period of approximately 1-1/2 years.

Applicant proposes to use the net proceeds to reimburse its treasury for capital expenditures. Assuming proceeds of \$12 per share from the sale of the new shares of common stock, the total aggregate proceeds would amount to \$9,000,000.

After consideration the Commission finds that: (1) the proposed common stock under the employee savings plan would not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the stock herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is 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 applicant 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 applicant'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. San Diego Gas & Electric Company may issue and sell not exceeding 750,000 shares of its common stock, substantially in accordance with The Savings Plan and the Trust Agreement set forth in Exhibits D and E, respectively, attached to the application.

2. San Diego Gas & Electric Company shall apply the net proceeds from the sale of stock herein authorized to the purpose set forth in the application.

3. On or before the twenty-fifth day of a month succeeding a month in which a portion of such stock is issued, San Diego Gas & Electric Company shall file with the Commission a summary showing the total number of shares issued under the authority herein granted, the price or prices at which such shares were issued, the total proceeds received and the purpose for which the proceeds were used. These filings shall be in lieu of reports under General Order No. 24-B.

4. This order shall become effective when San Diego Gas & Electric Company has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$10,000.

Dated at San Francisco, California, this 16th day of December, 1975.

[Signature] President
William J. Squires
Vernon J. Stuckman
[Signature]
[Signature] Commissioners

