

CACD/KLH

Decision 88 01 033 JAN 28 1988

UTILITIES

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND)
 ELECTRIC COMPANY to issue and sell)
 not exceeding 20,000,000 shares of)
 Common Stock, \$5 par value, in)
 connection with the Dividend)
 Reinvestment and Common Stock)
 Purchase Plan)
 (U 39 M)

Application 87-07-005
 (Filed July 3, 1987;
 Petition for Modification
 Filed December 23, 1987)

SUPPLEMENTAL OPINIONSummary of Decision

This decision grants Pacific Gas and Electric Company (PG&E) the authority requested in its petition for modification.

Notice of the filing of the petition for modification appeared on the Commission's Daily Calendar on December 29, 1987. No protests have been received.

By Decision (D.)87-08-035 dated August 26, 1987 in Application (A.)87-07-005, the Commission authorized PG&E (among other things) to issue and sell up to 20,000,000 shares of its Common Stock, \$5 par value, in connection with its Dividend Reinvestment and Common Stock Purchase Plan (the Plan). The purchase price for PG&E's common stock as stated in the Plan is an average of the daily high and low sales prices for PG&E's common stock as recorded in the Pacific Coast Edition of the Wall Street Journal for the period of five trading days preceding the monthly investment date (as defined below).

Modification Sought

PG&E requests authority to retain the pricing mechanism in its present form, with the exception of the date on which the

period of five trading days ends. Instead of ending on the day preceding the monthly investment date, the five-day period would end on the eighth day of the month or, if such day is not a business day, on the business day next preceding the eighth day of the month. The monthly investment date is the dividend payment date, which ordinarily falls on the fifteenth day of the month, or in months when there is no dividend payment, optional cash payments are invested as of the fifteenth day of the month, if such day is a business day; otherwise on the next business day.

PG&E stated in its petition for modification that the practical effect of the proposed change is to remove the five-day pricing period from the ex-dividend 1/ period that precedes the record date 2/ (which usually occurs around the fifteenth of the month) for the quarterly dividends. The price of the common stock usually drops during the ex-dividend period to reflect the fact that the purchaser of the stock during that period will not receive the dividend.

1/ Ex-dividend -- Means "without the dividend". Ex-dividend is the day on and after which the buyer of a common stock is not entitled to a previously declared dividend.

2/ Record Date -- Is the date on which one must be registered as a shareholder on the stock book of a company in order to receive a declared dividend or (among other things) to vote on company affairs.

Findings of Fact

1. Granting PG&E the authority to change the pricing mechanism as set forth in this decision would not be adverse to the public interest.

2. There is no known opposition to the proceeding and there is no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.

2. The petition for modification should be granted to the extent set forth in the supplemental order that follows.

The following supplemental order should be effective on the date of signature to enable PG&E to proceed with the proposed change to the pricing mechanism expeditiously.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. The authority granted to Pacific Gas and Electric Company by Decision (D.)87-08-035 dated August 26, 1987 in Application 87-07-005 is modified to allow the proposed change to the pricing mechanism as set forth in this decision.

2. The petition for modification is granted as set forth above.

In all other respects, D.87-08-035 remains in full force and effect.

This supplemental order is effective today.

Dated JAN 28 1988 at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
C. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Victor Weisner, Executive Director

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SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. The authority granted to Pacific Gas and Electric Company by Decision (D.)87-08-035 dated August 26, 1987 in Application 87-07-005 is modified to allow the proposed change to the pricing mechanism as set forth in this decision.

2. The petition for modification is granted as set forth above.

In all other respects, D.87-08-035 remains in full force and effect.

Dated _____, at San Francisco, California.