

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC COMPANY to issue and sell not exceeding 14,000,000 shares of Common Stock, \$5 par value, in connection with a Shelf Registration Program. (U39M)

Application 85-06-043 (Filed June 19, 1985) Petition for Modification (Filed October 5, 1989)

ORIGINAL

SUPPLEMENTAL OPINION

Summary of Decision

This decision grants Pacific Gas and Electric Company (PG&E) the authority requested in its petition for modification of Decision (D.) 85-06-043.

Notice of the filing of the petition for modification appeared on the Commission's Daily Calendar on October 18, 1989. No protests have been received.

By D.85-08-098, dated August 21, 1985, in Application (A.) 85-06-043, the Commission authorized PG&E to issue and sell, before October 1, 1987, up to 14,000,000 shares of its Common Stock, \$5 par value, in connection with a shelf registration program (the Program). By D.88-04-047, dated April 27, 1988, the Commission granted PG&E's petition for modification filed March 15, 1988, and extended the authorization to issue the remaining shares to December 31, 1989.

A shelf registration program is a program in which a large corporation may file a single registration statement covering financing plans for up to two years in the future as allowed by SEC Rule 415. After this original statement has been filed, the corporation may then issue the actual securities with very little additional paperwork.

A shelf registration program has several advantages:

- o Securities can be issued in different amounts at different times (with an aggregate total equal to the original amount in the shelf registration)
o Securities can be issued on short notice

- o Securities can be timed to take advantage of "market conditions"
- o The issuing firm can force underwriters to compete for its business.

PG&E has stated that no shares have been issued under the Program since 1986, and approximately 9,447,900 shares of those authorized by D.85-08-098 remain to be issued. Although PG&E has stated that it has no present plans to issue additional shares under the Program, PG&E wants to maintain the authorization to issue the remaining shares in the future.

Modification Sought

PG&E requests that the Commission extend the time period of the authorization granted by D.85-08-098 to expire June 30, 1991, instead of December 31, 1989.

The Commission Advisory and Compliance Division (CACD) recommends, and we concur, that PG&E's petition for modification of D.85-06-043 be granted and that the authorization be extended to December 31, 1990. ✓

Findings of Fact

1. PG&E, a California corporation, operates as a public utility under the jurisdiction of the Commission.
2. The proposed extension of time to June 30, 1991, during which PG&E may issue the remaining shares of Common Stock under the Program as authorized by D.85-08-098, would be for proper purposes and would not be adverse to the public interest.
3. 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 implement the extension of time expeditiously.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Pacific Gas and Electric Company (PG&E), on or after the effective date of this supplemental order and on or before December 31, 1990, is authorized to issue the remaining shares of Common Stock under the Program, as set forth in PG&E's petition for modification of D.85-08-098, filed with the Commission on October 5, 1989. //

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

In all other respects, D.85-08-098 remains in full force and effect.

This order is effective today.

Dated DEC 6 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. JUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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

Wesley Franklin
WESLEY FRANKLIN, Acting Executive Director

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