

ORIGINAL

Decision 83 05 063 MAY 18 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC COMPANY for authorization to split its common shares on a two for one basis.)
)
) Application 83-04-31 (Filed April 12, 1983)

O P I N I O N

Pacific Gas and Electric Company (PG&E) requests authority, under Public Utilities (PU) Code Sections 816 through 818, for the following:

1. To split each outstanding share of PG&E's Common Stock, \$10 par value, into two shares of Common Stock, \$5 par value, and
2. To split each of the remaining authorized but unissued shares of Common Stock, \$10 par value, into two shares of Common Stock, \$5 par value, with regard to the stock which remains unissued in the following authorities on the effective date of the common stock split;

<u>Decision (D.)</u>	<u>Date of Decision</u>	<u>Application (A.)</u>	<u>Plan</u>
D.93638	Oct. 20. 1981	A.60897	Dividend Reinvestment & Common Stock Purchase Plan
D.82-08-013	Aug. 4, 1982	A.82-06-54	Savings Fund Plan
D.82-10-050	Oct. 20, 1982	A.82-08-58	Shelf Registration Program

Summary of Decision

This decision grants PG&E the authority requested in the application.

Notice of the filing of the application appeared on the Commission's Daily Calendar of April 14, 1983. No protests have been received.

PG&E, a California corporation, operates as a public utility under the jurisdiction of this Commission. PG&E generates, purchases, transmits, and sells electricity and purchases, transports, transmits, and sells natural gas to 47 counties in central and northern California. The company also provides an incidental amount of water and steam services.

PG&E's Articles of Incorporation were restated as of August 6, 1982 and were placed before the Commission in connection with A.82-11-06 filed November 2, 1982. Under these restated articles, PG&E may issue up to 200,000,000 shares of Common Stock, \$10 par value. The company intends to split these shares on a two for one basis and to reduce the par value of each from \$10 to \$5. This would make available 400,000,000 shares of Common Stock, \$5 par value.

As of December 31, 1982, PG&E reported that it had issued 142,262,481 of its shares of Common Stock, \$10 par value, and by April 1, 1983 had issued another 1,554,126 shares increasing the total to 143,816,604 shares issued and outstanding. PG&E has plans to do the following:

1. To increase the number of common shares authorized in its Restated Articles of Incorporation from 200,000,000 to 400,000,000;

2. To split each issued and outstanding share of Common Stock, \$10 par value, into two shares; and
3. To reduce the par value of each share of stock from \$10 par value to \$5 par value.

PG&E asserts that, with the consequent reduction in market price, the split should create the following benefits:

1. Would broaden public interest in the common stock;
2. Would increase the number of stockholders; and
3. Would provide a greater availability of shares for purchase and resale.

PG&E also requests Commission approval to increase the number of shares of common stock authorized but unissued on the date of the proposed stock split, under the following decisions:

1. Shelf Registration Program - D.82-10-050 dated October 20, 1982 in A.82-08-58 authorized the issuance and sale of 5,000,000 shares of Common Stock, \$10 par value. Approximately 89,500 shares of this Common Stock, \$10 par value, were issued as of April 1, 1983. About 4,910,500 shares remain unissued and unsold.
2. Savings Fund Plan - D.82-08-013 dated August 4, 1982 in A.82-06-54 authorized the issuance and sale of 10,000,000 shares of Common Stock, \$10 par value. Approximately 1,391,000 shares of this Common Stock, \$10 par value, were issued as of April 1, 1983. About 8,609,000 shares remain unissued and unsold.

3. Dividend Reinvestment and Common Stock Purchase Plan - D.93638 dated October 20, 1981 in A.60897 authorized the issuance and sale of 10,000,000 shares of Common Stock, \$10 par value. Approximately 2,869,000 of the shares were issued as of April 1, 1983. About 7,131,000 shares remain unissued and unsold.

Insofar as the authorization in each of the above decisions will not have been exercised by the effective date of the stock split, PG&E seeks authorization to increase the unissued shares and reduce the par value of each share, in accordance with the proposed common stock split referred to above, so that each authorized unissued share of common stock for each of the above plans would also be split into two shares of Common Stock, with a par value of \$5 for each share.

The Commission's Revenue Requirements Division has reviewed PG&E's proposed application to split its common stock in a two for one ratio. The Division has no objection to the proposed stock split.

Findings of Fact

1. PG&E, a California corporation, operates as a public utility under the jurisdiction of this Commission.
2. The proposed issue of two shares of Common Stock, \$5 par value, in exchange for existing shares of Common Stock, \$10 par value, is for proper purposes.

3. The transaction will not be adverse to the public interest.

4. In regard to the two for one common stock split, the proposed increase in the number of shares of common stock authorized by Commission decisions in connection with PG&E's Shelf Registration Program, Savings Fund Plan, and Dividend Reinvestment Plan (insofar as the authorization in each decision has not been exercised by the effective date of the proposed stock split) is reasonable and for proper purposes.

5. There is no known opposition to the application and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.

2. The application should be granted to the extent set forth in the order which follows.

The number of common shares outstanding, the total par value of the shares, and the dividends paid do not determine allowable return on plant investment. This authorization to split the common stock into a two for one ratio and to lower the par value from \$10 to \$5 is not a finding of the value of PG&E's stock or property, nor does it indicate the amounts to be included in rate setting proceedings.

The following order should be effective on the date of signature to permit PG&E to proceed with its stock split and the issuance of its common stock expeditiously.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company (PG&E), on or after the effective date of this order, may split each outstanding share of its common stock into two shares of common stock having a par value of \$5 per share.

2. PG&E may increase the number of shares of its common stock authorized but unissued under D.82-10-050, D.82-08-013, and D.93638, with respect to the Shelf Registration Program, Savings Fund Plan, and Dividend Reinvestment and Common Stock Purchase Plan, respectively, in accordance with the proposed two for one

A.83-04-31 RR/KLH/ARM/WPSC

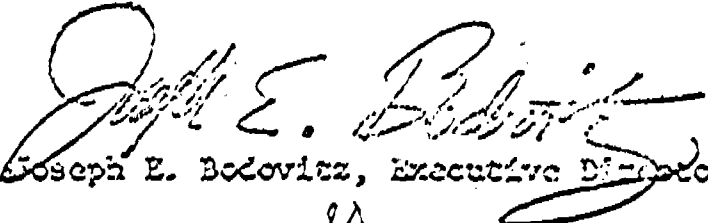
common stock split, insofar as those authorizations will not have been issued by the effective date of the proposed common stock split.

This order is effective today.

Dated MAY 18 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Boedovitz, Executive Director
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