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Decision No. 88870 MAY 31 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SAN DIEGO GAS & ELECTRIC )	
COMPANY to issue and sell not exceeding )	Application No. 57962
500,000 shares of its Common Stock, )	(Filed March 31, 1978)
\$5 par value, under its Dividend )	
Reinvestment Plan. )	

O P I N I O N

San Diego Gas & Electric Company (SDG&E) seeks authority to issue and sell not exceeding 500,000 shares of its \$5 par value common stock in accordance with its Dividend Reinvestment Plan (Plan).<sup>1/</sup>

The Plan offers holders of the company's common stock a convenient method for investing quarterly dividends and voluntary cash payments in additional shares of the utility's common stock. United California Bank is agent for the participating shareholders and administrator of the Plan.

The purchase price would be the average of the highest and lowest prices for applicant's common stock on the composite tape as published in the Western Edition of The Wall Street Journal on the pricing date. If the New York Stock Exchange is open on the pricing date but no trading in applicant's common stock occurs, the purchase price would be determined by averaging the bid and asked prices on that date. If the New York Stock Exchange is closed on the pricing date, prices on the next trading date would be used. The company estimates that 500,000 new shares will be sufficient for meeting the requirements of the Plan for a period of at least one year.

<sup>1/</sup> Common stock was last authorized pursuant to the Plan by Decision No. 86106 dated July 13, 1976 in Application No. 56575.

SDG&E has approximately 59,729 common shareholders and is unable to state the total number of shareholders who would purchase shares through the Plan. Accordingly, the company requests that it be relieved of the requirements of General Order No. 24-B, and instead be permitted to file quarterly statements showing the number of shares purchased under the Plan, the gross proceeds received, and the expenses incurred in connection with the issue and sale of stock under the Plan.

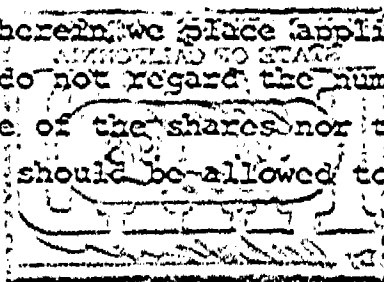
The Finance Division concludes that the proposed sale of common stock is appropriate under the circumstances. The Operations Division has reviewed the application and concurs with this conclusion.

After consideration the Commission finds that:

1. The proposed stock would be for a proper purpose.
2. Applicant has need for external funds for the purpose set forth in this proceeding.
3. The Dividend Reinvestment Plan would not be adverse to the public interest.
4. The money, property or labor to be procured or paid for by the stock herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

There is no known opposition and there is no reason to delay granting the relief requested. 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



Commissioner of Public Utilities  
State of California  
San Francisco, California

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