

To accompany the petition of Charles H. Hodskinson that the cash and share capital of certain gas and electric companies be equalized. Power and Light.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Twenty-Seven.

An Act to equalize the Cash and Share Capital of
Certain Gas and Electric Companies.

1 *Whereas*, The deferred operation of this act
2 would largely defeat its purpose to afford the
3 relief therein provided for, therefore it is hereby
4 declared to be an emergency law necessary for
5 the immediate preservation of the public con-
6 venience.

*Be it enacted by the Senate and House of Repre-
sentatives in General Court assembled, and by the
authority of the same, as follows:*

1 SECTION 1. Any gas company or electric
2 company which has received in payment for its
3 outstanding capital stock more than the aggre-
4 gate par value thereof, may, under the provisions
5 of this act, and to the extent approved by the
6 department of public utilities as defined in
7 section two, and otherwise subject to the pro-
8 visions of chapter one hundred and sixty-four
9 of the General Laws, so far as applicable, issue
10 additional shares at the par value thereof to an

11 amount not in excess of the difference between
12 the aggregate par value of its then outstanding
13 capital stock and the total amount received in
14 payment therefor, *provided* that a majority in
15 interest of the stockholders of such company
16 shall, at a meeting duly called and held for the
17 purpose, vote in favor of such issue.

1 SECTION 2. Any such company desiring so to
2 issue additional shares shall apply in writing to
3 the department of public utilities for a certificate
4 of the number which it may issue. Said de-
5 partment shall thereupon cause the capital ac-
6 counts of such company to be audited, and shall
7 certify the number of new shares, if any, which
8 such company may issue pursuant to the pro-
9 visions of this act; and if the department deter-
10 mines that the fair structural value of the plant
11 and of the land of such company is less than its
12 outstanding stock, including any premium paid
13 in thereon and debt, the department shall allow
14 the company to issue only such number of
15 additional shares as shall keep the capital stock
16 and the outstanding debt at a parity with the
17 fair structural value of the plant and of the land
18 of such company as determined by the depart-
19 ment as aforesaid.

1 SECTION 3. Such new shares shall be issued
2 proportionately to the stockholders of such
3 company who were such at the date of such
4 certificate, or their representatives or assigns

5 without further payment therefor, and shall for
6 all purposes be deemed and taken to be fully
7 paid and non-assessable.

1 SECTION 4. Save as is herein expressly pro-
2 vided, this act shall not be construed as altering
3 or affecting the requirements of chapter one
4 hundred and sixty-four of the General Laws
5 relating to the issue of stock by gas and electric
6 companies; but gas or electric companies here-
7 after organized, or existing gas or electric com-
8 panies which have not heretofore issued any
9 capital stock at a premium or which have issued
10 additional shares pursuant to the provisions of
11 section one, shall upon increases in capital stock
12 offer the new shares proportionately to their
13 stockholders, as provided in section eighteen of
14 chapter one hundred and sixty-four of the Gen-
15 eral Laws, at the par value thereof.

1 SECTION 5. A corporation which has issued
2 new or additional shares under the provisions of
3 this act shall, within thirty days after the issue
4 of all of such shares, file a certificate of the num-
5 ber thereof and the fact that the shares have
6 been issued under and pursuant to the provisions
7 of this act, signed and sworn to by its president
8 or vice-president, treasurer or assistant treas-
9 urer, and a majority of its directors, in the offices
10 of said department and of the secretary of the
11 commonwealth.

1 SECTION 6. In cases where a gas or electric
2 company has outstanding both preferred and
3 common stock, this act shall apply to either or
4 both, as the corporation may elect.

1 SECTION 7. None of the provisions of this
2 act shall be held to apply to the Boston Con-
3 solidated Gas Company, its successors or assigns.