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ORIGINAL

Decision No. 12496

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the Matter of the Application of)
LOS ANGELES GAS AND ELECTRIC CORPORATION)
for an order authorizing the issuance)
and sale of its Series "G" bonds in the)
amount of \$4,000,000.00 per value.)

Application No. 9300

Paul Overton, for applicant.

BY THE COMMISSION:

O P I N I O N.

In this application the Railroad Commission is asked to make an order authorizing LOS ANGELES GAS AND ELECTRIC CORPORATION to issue and sell, at not less than 95 per cent. of their face value plus accrued interest, \$4,000,000.00 of its Series "G" six per cent. general and refunding gold bonds for the purpose of reimbursing its treasury and financing the cost of new construction.

Pursuant to the authority granted by the Commission, applicant as of March 1, 1921, executed its general and refunding mortgage to secure the payment of an authorized issue of \$75,000,000.00 of bonds issuable in series, which bonds with respect to each series, may be of such denominations, may be issued and dated at such time or times, may bear such rate of interest, may mature at such time or times and may be subject to such terms of redemption or conversion as the directors of the company may determine.

Applicant heretofore has been authorized to issue and sell \$18,500,000.00 of such general and refunding bonds, consisting of \$2,500,000.00 of Series "A" seven per cent. bonds due March 1, 1926; \$3,500,000.00 of Series "B" 7 per cent. bonds due March 1, 1931;

\$1,500,000 of Series "C" seven per cent. bonds due June 1, 1931;
 \$2,000,000 of Series "D" six per cent. bonds due March 1, 1942;
 \$5,000,000 of Series "E" 5-1/2 per cent. bonds due June 1, 1947, and
 \$4,000,000 of Series "F" 5-1/2 per cent. bonds due March 1, 1943. The
 company has now sold, subject to their issue being authorized by the
 Commission, \$4,000,000 of Series "G" six per cent. bonds due March 1,
 1942.

The company estimates (Exhibit "D") its net construction ex-
 penditures for 1923 at \$10,462,339. This amount is allocated by appli-
 cant as follows:

<u>Gas Works</u> , including one 7 million cu.ft.generator, puri- fiers with a capacity of 10 million cu.ft., three 1 million cu.ft. per hour compressors, one 10 million and one 6 million cu.ft.holders, four blo- wers with a combined capacity of 2½ million cu.ft. per hour, together with auxiliary equipment and buildings	\$2,930,775
<u>Electric Works</u> , including one 17,500 kilowatt turbo- generator and auxiliary equipment	1,577,775
<u>Gas Distributing System</u>	3,718,715
Including 250 miles commercial mains	
17 miles pressure mains	
29,000 gas services	
37,500 gas meters	
17,000 gas regulators	
<u>Electric Distributing System</u> , including	
11,000 electric services and	
18,000 electric meters	1,192,990
<u>New site for General Office Building</u> and 1923 portion of cost of building	365,000
<u>Miscellaneous</u>	246,184
<u>Overhead expense</u>	430,900
Grand total estimated net increase in capital accounts.	<u><u>\$10,462,339</u></u>

The testimony of W.E. Houghton, applicant's comptroller,
 shows that of the \$10,462,339, the sum of approximately \$4,500,000 re-
 mains unexpended. Some of the expenditures have already been financed
 through the issue of bonds. As of June 30, 1923, the company had ex-
 pended, according to the testimony, \$2,582,047.12, against which no
 bonds have been issued.

Los Angeles Gas and Electric Corporation has an authorized capital stock of \$30,000,000.00, divided into \$10,000,000 of six per cent preferred stock and \$20,000,000 of common stock. Of these amounts, there were outstanding on August 1, 1923, \$6,705,000 of the preferred and \$10,000,000 of the common stock, making a total of \$16,705,800. Applicant's funded debt outstanding on the same date is reported at \$29,365,500, and its notes payable at \$300,000. The funded debt includes \$1,500,000 of bonds pledged to secure the payment of \$1,000,000 of general and collateral trust seven per cent. bonds dated April 1, 1920.

O R D E R.

LOS ANGELES GAS AND ELECTRIC CORPORATION having applied to the Railroad Commission for permission to issue and sell \$4,000,000.00 of bonds, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required by applicant and that the expenditures herein authorized are not reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that LOS ANGELES GAS AND ELECTRIC CORPORATION be, and it is hereby, authorized to issue and sell, at not less than 95 per cent. of their face value plus accrued interest, \$4,000,000. of its Series "G" six per cent. general and refunding mortgage gold bonds due March 1, 1942, for the purpose of financing in part the construction expenditures described in "Exhibit C" and in "Exhibit D" filed in this proceeding.

The authority herein granted is subject to further conditions as follows:

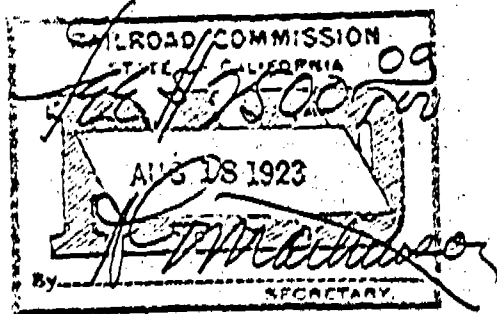
- (1)--Only such expenditures as are properly chargeable to capital account, as defined by the uniform classification of accounts prescribed by this Commission, may be financed

through the issue of the bonds herein authorized.

- (2)----Los Angeles Gas and Electric Corporation shall keep such record of the issue, sale and delivery of the bonds herein authorized and of the disposition of the proceeds, as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.
- (3)----The authority herein granted to issue bonds will become effective upon the payment by applicant of the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$2,500., and such authority will expire on December 31, 1923.

DATED at San Francisco, California, this 17th

day of August, 1923.



[Signature]

Egerton Shaw

[Signature]
Commissioners.