

Decision No. 12618.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

**ORIGINAL**  
Application No. 9545

In the Matter of the Application of )  
SOUTHERN COUNTIES GAS COMPANY OF )  
CALIFORNIA for authority to issue )  
additional first mortgage bonds in )  
the amount of \$800,000.00, and to )  
sell the same. )

LeRoy M. Edwards, for Applicant.

BRUNDIGE, COMMISSIONER.

O P I N I O N

SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA asks permission to issue and sell at not less than 88 per cent of their face value, and accrued interest, \$800,000.00 of its 5½% first mortgage bonds due May 1, 1936.

The Company reports that from May 1, 1923 to July 1, 1923 inclusive, it expended for additions to fixed capital the net sum of \$957,748.44. The expenditure is allocated to the several districts as follows :

Orange County District	- - - - -	\$228,967.67
Whittier District	- - - - -	28,442.86
Pomona District	- - - - -	110,820.21
Monrovia District	- - - - -	11,331.01
Long Beach District	- - - - -	147,463.04
San Pedro District	- - - - -	40,130.23
Santa Monica Bay District	- - - - -	135,413.38
Santa Barbara District	- - - - -	63,506.19
Ventura District	- - - - -	156,791.89
General	- - - - -	<u>34,881.46</u>
TOTAL	- - - - -	\$957,748.44

Applicant further reports that prior to May 1, 1923 it expended for fixed capital \$68,182.50 against which no bonds have been issued. Adding the \$68,182.50 to the \$957,748.44 makes a total of \$1,025,930.94 expended, against which applicant has issued no bonds. Because of such expenditure it now asks permission to issue and sell \$800,000.00 of its first mortgage bonds. It has arranged to sell such bonds at 88 percent of their face value, and accrued interest.

Applicant estimates its capital expenditures for 1923 at \$2,484,295.00. To July 31, 1923 it has expended, because of additions to its fixed capital, the sum of \$1,630,760.74, leaving the balance of \$850,090.77. As of September 12th. applicant reports \$521,241.56 of notes payable and \$246,065.62 of accounts payable, making a total of notes and accounts payable of \$767,307.18.

The proceeds obtained from the sale of the bonds will be used to pay indebtedness incurred on account of acquiring and constructing additions and betterments to applicant's plants and properties or pay for properties, additions and betterments hereafter acquired or constructed.

Southern Counties Gas Company of California has an authorized stock issue of \$5,000,000.00 divided into \$2,500,000.00 of common and \$2,500,000.00 of 8 per cent preferred. As of July 31, 1923 \$1,500,000.00 of the common and \$1,249,900.00 of the preferred was outstanding. As of the same date the company reports a total funded debt of \$8,827,200.00 consisting of \$7,571,500.00 first mortgage 5½% bonds due May 1, 1936 and \$600,000.00 second mortgage 6% notes due December 1, 1924 and \$655,700.00 of 8 per cent collateral trust bonds due December 1, 1930.

I believe that this application should be granted and herewith submit the following form of order :

## O R D E R

SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, having applied to the Railroad Commission for permission to issue \$800,000.00 of bonds, a public hearing having been held 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 in whole or in part reasonably charged to operating expenses or to income, and that this application should be granted subject to the conditions of this order; therefore,

IT IS HEREBY ORDERED THAT the Southern Counties Gas Company of California be, and it is hereby authorized to issue and sell for not less than 88 per cent of their face value and accrued interest \$800,000.00 of its first mortgage 5½% bonds due May 1, 1936.

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

1. The proceeds obtained from the sale of the bonds shall be used by applicant to reimburse its treasury on account of monies expended prior to July 31, 1923 for extensions, additions and betterments to its plants and properties. After the proceeds have been used for such purposes they shall be expended for paying indebtedness incurred on account of acquiring or constructing such extensions, additions and betterments or to finance the cost of acquiring and constructing extensions, additions and betterments to applicant's plants and properties installed subsequent to July 31, 1923.
2. Applicant shall keep such records 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 will become effective upon the payment of the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$800.00. The authority to issue bonds will expire on December 31, 1923.

The foregoing Opinion and Order is hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 15<sup>th</sup> day of September, 1923.



C. Seaver  
W. B. ...  
Livingston  
Egerton  
Whitney