

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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 \$580,900.00 and to )  
 sell the same. )

**ORIGINAL**  
 Application Number 9583

Le Roy M. Edwards, for Applicant.

BY THE COMMISSION :

O P I N I O N

SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA asks permission, in the above entitled application, to issue and sell at not less than 88 per cent of their face value and accrued interest \$580,900.00 of its first mortgage 5½ per cent bonds due May 1, 1936 and use the proceeds to pay for current indebtedness.

The company reports that it expended for fixed capital during the months of August, September and October, 1923, for financing extensions, betterments and improvements to its existing plants and properties, the sum of \$727,593.41. The amount expended by applicant in its several districts is reported as follows :-

<u>District</u>	<u>Amount Expended</u>
Orange County	\$ 85,923.28
Whittier	58,527.05
Pomona	38,094.57
Monrovia	24,440.89
Long Beach	126,177.56
San Pedro	66,724.43
Santa Monica Bay	189,555.39
Santa Barbara	44,747.41
Ventura	67,108.98
General	26,293.85
Total . . . .	<u>\$ 727,593.41</u>

Against this expenditure the company may ask the trustee under its first mortgage, to certify \$582,074.73 of bonds which amount is equal to 80 per cent of the reported expenditures. Because of expenditures for fixed capital made prior to August 1st., the company under its first mortgage may call on the trustee to certify additional bonds in the sum of \$20,745.29, making a total of \$602,820.02. Of this amount of bonds the company asks permission to issue and sell \$580,900.00.

As of October 31, 1923, applicant reports current liabilities amounting to \$2,007,676.98. This amount consists of the following items :-

Notes payable . . . . .	\$430,810.36
Accounts payable - Misc. . . . .	471,600.29
Accounts payable - Taxes not due . . . . .	202,014.39
Accounts payable - Int. & Ins. Accrued . . . . .	278,252.68
Accounts payable - Consumers deposits . . . . .	624,999.26
	<u>2,007,676.98</u>

The current assets of applicant as of October 31, 1923 are reported at \$1,601,063.00 and consist of the following items :-

Pipe, Fittings, Constr'n. . . . .	
Material and Merchandise . . . . .	\$666,103.07
Accts. & Notes Receivable . . . . .	312,393.10
Cash - Operating . . . . .	261,251.33
Funded Debt Interest & Tax Funds . . . . .	224,826.22
Sinking Fund - 1st. & 2nd. Mortgage . . . . .	
Bonds . . . . .	133,989.28
Stocks and Securities Owned . . . . .	2,500.00
	<u>1,601,063.00</u>

As of the same date applicant reports reserves amounting to \$1,221,213.74 and earned surplus of \$1,207,015.89.

The order herein will require that the proceeds obtained from the sale of the bonds be used by applicant to pay current liabilities.

ORDER

SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, having applied to the Railroad Commission for permission to issue and sell \$580,900.00 face value of its first mortgage 5½ per cent bonds due May 1, 1936; 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 in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that the SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA be, and it is hereby, authorized to issue and sell at not less than 88 per cent of their face value and accrued interest \$580,900.00 of its first mortgage 5½ per cent bonds due May 1, 1936 and use the proceeds to pay such current liabilities as may have been incurred for the purpose of acquiring or constructing extensions, additions and improvements, to applicant's plants and properties, provided that only such cost of said extensions, additions and improvements as is properly chargeable to fixed capital accounts under the Commission's Uniform System of Accounts, be financed through the issue of the bonds herein authorized.

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

1. Southern Counties Gas Company of California 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.
2. The authority herein granted to issue bonds will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee amounts to \$581.00. The authority to issue

bonds will expire on June 1, 1924.

DATED at San Francisco, California, this 4<sup>th</sup> day of  
January, 1924.

W. S. Seavy

H. B. Brundage

Egerton Shore

Commissioners.

