

Decision No. 13650

ORIGINAL

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 withdraw)	Application
certain money on deposit with Central)	Number
Trust Company of Illinois, trustee)	10,132
under its trust indenture of date)	
May 1, 1916.)	

LeRoy M. Edwards, for Applicant.

BRUNDIGE, Commissioner :

O P I N I O N

In this application Southern Counties Gas Company of California asks permission to use \$1,562,168.76 received from the sale of its properties in Long Beach for the purpose of financing the cost of betterments, extensions and improvements to its plants and properties.

Southern Counties Gas Company of California, by Decision Number 13545, dated May 13, 1924, in Application Number 9991, was authorized to sell to the City of Long Beach its gas distributing system in the City of Long Beach and contiguous unincorporated territory as more particularly described in Exhibit "A" attached to the application. The order of the Commission provides that before the company may expend any of the proceeds received from the sale of such properties it should first secure from this Commission a supplemental order authorizing the proposed expenditure.

The company now reports that it has sold its properties to the City of Long Beach at a net price of \$2,085,272.55 and that this money is now on deposit with the Central Trust Company of

Illinois, the trustee under its trust indenture of May 1, 1916. The company has now filed this application requesting permission to use a portion of these proceeds, instead of filing a supplemental petition in Application Number 9991.

Applicant reports that subsequent to August 1, 1923 and prior to April 30, 1924 it expended \$1,536,237.14 for additions and betterments. The amount so expended is segregated by applicant as follows :-

<u>DISTRICT</u>	<u>AMOUNT EXPENDED</u>
Orange County	\$ 274,460.08
Whittier	140,149.44
Pomona	160,456.88
Monrovia	83,239.12
Long Beach (Credit)	44,157.51
San Pedro	242,314.19
Santa Monica	437,692.98
Santa Barbara	105,917.84
Ventura	151,106.34
General (Credit)	12,930.22
TOTAL . . .	<u>\$1,536,237.14</u>

In addition to these expenditures, applicant reports other expenditures for fixed capital prior to August 1, 1923, of \$25,931.62 which have not heretofore been capitalized. Adding this amount to the \$1,536,237.14 results in a total of \$1,562,168.76 which applicant reports has not heretofore been paid or provided for through the issue of stocks or bonds.

By Decision Number 12992, dated January 4, 1924, in Application Number 9583, the company was authorized to issue and sell \$580,900.00 of its first mortgage bonds for the purpose of financing in part expenditures for fixed capital during the months of August, September and October, 1923. It is of record in this proceeding, however, that applicant has not issued any of the bonds authorized by Decision Number 12992 and does not intend to do so. Instead, it proposes to finance the cost of the expenditures during these three months and during the succeeding six months with

proceeds obtained from the sale of its properties.

I herewith submit the following form of order.

ORDER

Southern Counties Gas Company of California, having applied to the Railroad Commission for permission to withdraw proceeds obtained from the sale of its properties for the purpose of financing the cost of betterments, extensions and improvements, a public hearing having been held and the Railroad Commission being of the opinion that the application should be granted,

IT IS HEREBY ORDERED that SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA be, and it is hereby, authorized to withdraw from the Central Trust Company of Illinois, trustee under its trust indenture of May 1, 1916, the sum of \$1,562,168.76, which sum was obtained from the sale of its properties in Long Beach, and to use such sum for the purpose of financing the cost of the betterments, extensions and improvements made prior to April 30, 1924 and referred to in the foregoing opinion, provided that only such expenditures as are properly chargeable to fixed capital account under the Uniform System of Accounts prescribed by the Railroad Commission may be financed through the use of the \$1,562,168.76 or any part thereof.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

The foregoing Opinion and Order are 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 5th day of June, 1924.

C. S. Lewis
H. S. Brundage
Dwight Martin
J. P. Whittington
COMMISSIONERS