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Decision No. 15176.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SANTA MARIA GAS COMPANY)
for authority to purchase and acquire)
all of the property of Santa Maria)
Gas and Power Company, certain of the)
properties of Midland Counties Public)
Service Corporation, to increase cer-)
tain rates now charged for natural)
gas by Midland Counties Public Service)
Corporation and for permission to)
issue certain securities.)

Application No. 5550

BY THE COMMISSION:

SEVENTEENTH SUPPLEMENTAL ORDER

Under authority granted by the Commission by Decision No. 7708 dated June 9, 1920, in the above entitled matter, Midland Counties Public Service Corporation sold to Santa Maria Gas Company certain gas properties located in the counties of San Luis Obispo and Santa Barbara.

The agreement between the two companies provided for a total purchase price of \$388,000.00, or its equivalent, payable \$120,750.00 in cash, or in such an amount of bonds of Santa Maria Gas Company as at 95 would equal \$120,750.00, \$195,000.00 in six percent twenty year bonds of Santa Maria

Gas Company at 95 and \$82,000.00 by a six percent three year note. The agreement further provided that Santa Maria Gas Company at any time could repurchase its bonds from Midland Counties Public Service Corporation at 95 percent of their face value plus accrued interest.

However, under the order of the Commission, Midland Counties Public Service Corporation cannot use any of the proceeds received through the sale of the Santa Maria Gas Company bonds until authorized to do so by the Commission. Heretofore it has reported that it has sold \$100,000.00 of such bonds and the Commission by supplemental orders has permitted it to use the proceeds received. It now asks permission to use an additional \$11,400.00 when received from the sale of additional Santa Maria Gas Company bonds to finance construction expenditures of like amount which it reports have not as yet been capitalized and which are described as follows:-

Installing three 500 K.V.A. transformers to serve the City of San Luis Obispo - - - - -	\$9,500.00
Constructing the Lompoc substation - -	<u>1,900.00</u>
<u>TOTAL</u> - - - -	\$11,400.00

The Commission has given consideration to applicant's request and believes it should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that Midland Counties Public Service Corporation be, and it hereby is, authorized to use not exceeding \$11,400.00 received, or to be received, from the sale

of the Santa Maria Gas Company bonds referred to in Decision No. 7708, dated June 9, 1920, to finance the cost of the additions and betterments referred to herein.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 7708, dated June 9, 1920, as amended, shall remain in full force and effect except as modified by this Seventeenth Supplemental Order.

DATED at San Francisco, California, this 13th day of July, 1925.

C. Seaver

George D. Squires

Ernest West

Commissioners.