

LEM

Decision No. 16028.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LOS ANGELES GAS AND ELECTRIC CORPORA-)
TION for an order authorizing the)
issuance and sale of its Series "I")
bonds in the amount of \$2,500,000.) Application No. 12488
par value.)

Paul Overton, for applicant.

BY THE COMMISSION:

OPINION AND ORDER

Los Angeles Gas and Electric Corporation asks permission to issue and sell at not less than 95 percent of face value and accrued interest \$2,500,000. of its Series "I" general and refunding mortgage five and one half percent bonds due October 1, 1949 and to use the proceeds to redeem in part the outstanding \$2,500,000. of Series "A" general and refunding mortgage seven percent bonds due March 1, 1926.

The seven percent Series "A" bonds were sold by applicant in 1921 at 94-1/2 and accrued interest. It is of record that applicant has agreed to sell the \$2,500,000. of 5-1/2 percent Series "I" bonds at a minimum price of 95 and accrued interest to the Pacific Lighting Corporation. The testimony shows that if the Pacific Lighting Corporation realizes more than 95 and accrued interest from the

sale of the bonds, it will pay to applicant the difference between 95 and accrued interest and the amount which it realizes from the sale of the bonds. Applicant reports that it will provide from its surplus earnings the difference between the net proceeds realized from the sale of the Series "I" bonds and the amount required to redeem the Series "A" bonds.

Los Angeles Gas and Electric Corporation having applied to the Railroad Commission for permission to issue and sell 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 through such issue, is reasonably required for the purpose specified herein and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expense 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 percent of face value plus accrued interest \$2,500,000. of its Series "I" general and refunding mortgage five and one half percent bonds due October 1, 1949, and to use the proceeds other than accrued interest to pay in part the \$2,500,000. of Series "A" seven percent general and refunding mortgage bonds now outstanding that mature on March 1, 1926. The accrued interest may be used for general corporate purposes.

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

1. Los Angeles Gas and Electric Corporation shall keep such record of the issue and sale 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 insofar as applicable, is made a part of this order.

2. The authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 24th day of February, 1926.

H. B. Brundage
C. L. Seavey
Ernest J. ...
Leon Whitell

Commissioners.