

IRA

Decision No. 16 714

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)  
SAN DIEGO CONSOLIDATED GAS )  
AND ELECTRIC COMPANY, )  
a corporation, for an order author- )  
izing the issuance and sale of )  
\$2,500,000. par value of its first )  
and refunding five percent bonds. )

Application No. 12790

Sweet, Stearns & Forward;  
and Chickering & Gregory  
by Evan Williams, for applicant.

BY THE COMMISSION:

O P I N I O N

San Diego Consolidated Gas and Electric Company asks permission to issue and sell at not less than 94 percent of their face value and accrued interest \$2,500,000. of its Series "B" first and refunding mortgage five percent bonds due March 1, 1947, and use the proceeds to pay indebtedness incurred for the purpose of paying for extensions, additions and betterments to its properties.

San Diego Consolidated Gas and Electric Company has an authorized stock issue of \$20,000,000. divided into \$10,000,000. of common and \$10,000,000. of seven percent cumulative preferred. As of February 28, 1926, applicant reports outstanding \$3,032,500. of common and \$6,292,500. of preferred stock.

The outstanding bonded indebtedness of the company as of February 28, 1926, is reported at \$11,368,000. and consists of \$5,680,000. of first mortgage bonds and \$5,688,000. of first and refunding mortgage bonds. The company's current liabilities are reported at \$3,198,000. and its current assets at \$1,039,350.12. The current liabilities include a \$500,000. five percent note payable to the General Electric Company; a \$75,000. five and a half percent note payable to the First National Bank of San Diego and \$1,693,906.86 payable to Standard Gas and Electric Company. It is of record that applicant is paying interest at the rate of seven percent per annum on the amount due the Standard Gas and Electric Company.

Applicant in its Exhibit No. 5 estimates its net construction expenditures during 1926 at \$3,575,183. During the first two months of this year expenditures actually incurred are reported at \$372,868., leaving \$3,202,315.08 to be expended. W. F. Raber, applicant's Vice-President and General Manager, testified that the company would incur construction expenditures during 1926 approximately equal to the estimated expenditures reported in its Exhibit No. 5.

Applicant in its Exhibit No. 6 reports its uncapitalized construction expenditures as of February 28, 1926, at \$2,694,901.70. Adding to the \$2,694,901.70 applicant's estimated net construction expenditures for the ten months ending December 31, 1926, (\$3,202,315.08) makes a total of \$5,897,216.78. It is for the purpose of financing in part the actual or estimated expenditures reported at \$5,897,216.78 that applicant asks permission to issue \$2,500,000. of bonds. The evidence shows that all of the monies

obtained from the issue of the bonds will be used to pay indebtedness incurred or to be incurred because of such construction expenditures.

### O R D E R

San Diego Consolidated Gas and Electric Company having applied to the Railroad Commission for permission to issue \$2,500,000. of bonds, a public hearing having been had 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 for the purposes specified in this order and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. San Diego Consolidated Gas and Electric Company may issue and sell for cash on or before October 1, 1926, at not less than 94 percent of the face value and accrued interest \$2,500,000. of Series "B" first and refunding mortgage five percent bonds due March 1, 1947.
2. San Diego Consolidated Gas and Electric Company shall use the proceeds, other than accrued

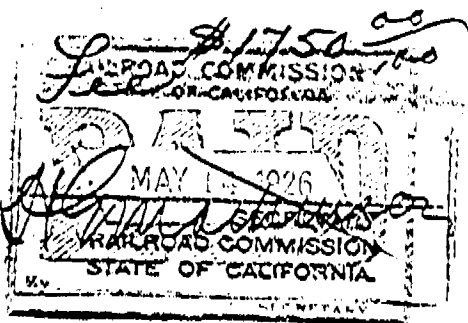
interest, realized from the sale of said bonds to pay indebtedness incurred on account of, or to be incurred on account of constructing the extensions, additions and betterments reported in applicant's Exhibit No. 5 and applicant's Exhibit No. 6.

3. San Diego Consolidated Gas and Electric Company may use the accrued interest for general corporate purposes.

4. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$1,750.

5. San Diego Consolidated Gas and Electric Company 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 insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 12<sup>th</sup> day of May, 1926.



W. B. Brundage  
Chairman  
Leon O. Wells

Commissioners.