

ORIGINAL

Decision No. 17995

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN COUNTIES GAS COMPANY OF)
CALIFORNIA)
for an order authorizing the issu-)
ance of 10-year collateral trust)
gold bonds, the execution of the)
trust deed and mortgage securing)
the same and the pledging of first)
mortgage bonds as part of the)
security thereof.)

Application No. 6307.

Le Roy M. Edwards, for applicant.

BY THE COMMISSION:

SIXTH SUPPLEMENTAL ORDER

Southern Counties Gas Company of California heretofore was authorized to issue \$1,312,500.00 of first mortgage five and one half percent bonds and to pledge them to secure the payment of an issue of \$1,000,000.00 of ten year collateral trust eight percent bonds. The company was authorized also to exchange such first mortgage bonds for the collateral trust bonds upon the basis and under the terms and conditions set forth in the collateral trust agreement under which the collateral trust bonds were issued.

The orders of the Commission provide that upon the payment of the collateral trust bonds a proper proportion of the first mortgage bonds deposited as collateral shall be returned to applicant and thereafter not disposed of in any manner whatsoever except as authorized by the Railroad Commission. The company

reports, in a supplemental petition filed in the above entitled matter on January 20, 1927, that on December 1, 1926 it called for redemption all the remaining outstanding collateral trust bonds and that there is on deposit with Pacific Southwest Trust and Savings Bank, trustee, subject to its order, \$256,200.00 of the first mortgage bonds heretofore pledged as collateral. The company now asks, in the supplemental petition, for authority to use the \$256,200.00 of bonds for sinking fund purposes under its first mortgage.

A public hearing was held on the supplemental petition before Examiner Fankhauser. The Commission has considered applicant's request and is of the opinion that it should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED that Southern Counties Gas Company of California be, and it hereby is, authorized to sell, at not less than face value plus accrued interest, \$256,200.00 of its first mortgage five and one-half percent bonds, heretofore pledged to secure the payment of applicant's ten year eight percent collateral trust bonds and use the proceeds obtained from the sale of said bonds or use said bonds for sinking fund purposes under its trust indenture dated May 1, 1916, provided that if said bonds are offered to the trustees under said trust indenture, they shall be offered at not less than the face value thereof.

IT IS HEREBY FURTHER ORDERED that Southern Counties Gas Company of California 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.

DATED at San Francisco, California, this 11th day of February, 1927.

Ernest C. Smith
H. B. Prudig
O. Seaver
Leon Whitell
Thos. B. Raitt

Commissioners.