

Decision No. 18974.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 MIDWAY GAS COMPANY,
 a California corporation, for an
 order authorizing it to sell, and of
 Southern California Gas Company, a
 California corporation, for an order
 authorizing it to buy, all of the
 property of said Midway Gas Company; of
 said Southern California Gas Company
 for an order authorizing it to issue
 bonds and approving the form of the
 mortgage (to be executed by both South-
 ern California Gas Company and Midway
 Gas Company) securing the same; and of
 said Southern California Gas Company
 for a certificate of public convenience
 and necessity to exercise certain fran-
 chise rights.

ORIGINAL

Application No. 13898

In the Matter of the Application of
 MIDWAY GAS COMPANY,
 to buy all of the capital stock and all
 the properties of Central Counties Gas
 Company and of Central Counties Gas
 Company to sell all of its properties
 (located in the City of Lindsay, County
 of Tulare; City of Tulare, County of
 Tulare; City of Exeter, County of Tulare;
 City of Porterville, County of Tulare;
 City of Visalia, County of Tulare and in
 the County of Tulare); for authority for
 Midway Gas Company to issue and sell short
 term notes in payment therefor; and of
 Midway Gas Company for certificates of
 public convenience and necessity to
 exercise certain franchise rights granted
 by said Cities in said County.

Application No. 13972

In the Matter of the Application of
 MIDWAY GAS COMPANY,
 to buy all of the capital stock and all of
 the properties of Hanford Gas and Power
 Company and of Hanford Gas and Power Com-
 pany to sell all of its properties lo-
 cated in the City of Hanford; for author-
 ity for Midway Gas Company to issue and
 sell short term notes in payment therefor;
 and of Midway Gas Company for a certifi-
 cate of public convenience and necessity
 to exercise franchise rights in said City
 of Hanford.

Application No. 13973

In the Matter of the Application of)
MIDWAY GAS COMPANY,)
to buy all of the capital stock and all)
of the properties of Riverbend Gas and)
Water Company and of Riverbend Gas and)
Water Company to sell all of its proper-)
ties (located in the City of Dinuba,)
County of Tulare; City of Kingsburg,)
County of Fresno; City of Sanger, County)
of Fresno; City of Reedley, County of)
Fresno; and in the counties of Fresno)
and Tulare); for Midway Gas Company to)
issue and sell short term notes as pay-)
ment therefor; and of Midway Gas Com-)
pany for a certificate of public con-)
venience and necessity to exercise certain)
franchises granted by said Cities and)
Counties.)

Application No. 13974

In the Matter of the Application of)
MIDWAY GAS COMPANY,)
to buy all of the properties of Valley)
Natural Gas Company and of Valley Natural)
Gas Company to sell all of its properties)
located in the County of Kern; for author-)
ity for Midway Gas Company to issue and)
sell short term notes in payment for said)
properties; and of Midway Gas Company for)
a certificate of public convenience and)
necessity to exercise certain franchise)
rights in said County of Kern.)

Application No. 13975

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

Good Cause Appearing:

IT IS HEREBY ORDERED that paragraph five of the order
in Decision No. 13918 dated October 11, 1927 reading-

"Midway Gas Company may purchase and operate the afore-
mentioned properties and execute a trust indenture sub-
stantially in the same form as the trust indenture filed
in this proceeding on September 30th, provided that the
authority herein granted to execute said indenture is
for the purpose of this proceeding only and is granted
insofar as this Commission has jurisdiction under the
terms of the Public Utilities Act, and is not intended
as an approval of said trust indenture as to such other
legal requirements to which said trust indenture may be
subject, "

be, and the same is hereby, amended so as to read--

"Midway Gas Company may purchase and operate the aforementioned properties and execute a trust indenture substantially in the same form as the trust indenture filed in this proceeding on October 21st, provided that the authority herein granted to execute said indenture is for the purpose of this proceeding only, and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said trust indenture as to such other legal requirements to which said trust indenture may be subject".

IT IS HEREBY FURTHER ORDERED that paragraph seven of said order in Decision No. 18918 reading-

"Southern California Gas Company may execute a mortgage and/or deed of trust substantially in the same form as the mortgage and/or deed of trust filed in this proceeding on September 30th provided that the authority herein granted to execute said mortgage and/or deed of trust is for the purpose of this proceeding only and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage and/or deed of trust as to such other legal requirements to which said mortgage and/or deed of trust may be subject,"

be, and the same is hereby, amended so as to read-

"Southern California Gas Company may execute a mortgage and/or deed of trust substantially in the same form as the mortgage and/or deed of trust filed in this proceeding on October 21st, provided that the authority herein granted to execute said mortgage and/or deed of trust is for the purpose of this proceeding only and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage and/or deed of trust as to such other legal requirements to which said mortgage and/or deed of trust may be subject".

IT IS HEREBY FURTHER ORDERED that paragraph eight of the order in said Decision No. 18918 reading-

"Southern California Gas Company may issue and sell at not less than 94 percent of their face value and accrued interest, \$3,646,000. of its first mortgage and refunding five percent gold bonds due September 1, 1957, and at not less than its par value, \$5,000,000. of its common capital stock and use said bonds and stock or the proceeds thereof, for the purposes mentioned in the foregoing opinion, provided that no indebtedness other than that authorized by this order may be incurred in connection with the purchase of the properties and the refunding of the indebtedness referred to, herein",

be, and the same is hereby amended so as to read--

"Southern California Gas Company may issue and sell on or before March 31, 1928, at not less than 94 percent of their face value and accrued interest, \$8,646,000. of its first mortgage and refunding five percent gold bonds due September 1, 1957, and at not less than its par value \$5,000,000. of its common capital stock and use said bonds and stock or the proceeds thereof for the purposes mentioned in the foregoing opinion, provided that Southern California Gas Company may assume and agree to pay, and discharge all debts, obligations, liabilities of Midway Gas Company, Valley Natural Gas Company, Central Counties Gas Company, Riverbend Gas and Water Company and Hanford Gas and Power Company, referred to in this application; and provided further, that all debts and liabilities so assumed shall be paid through the issue of the stock and bonds herein authorized, or through the use of surplus earnings which shall not be used as the basis for the issue of additional securities".

IT IS HEREBY FURTHER ORDERED that paragraph nine of said order in Decision No. 18918 reading--

"Southern California Gas Company may, pending the issue of said \$8,646,000. of first mortgage and refunding bonds and the issue of said \$5,000,000. of common stock, issue not exceeding \$6,747,000. of its first and refunding mortgage five and one half percent gold bonds, Series "B", due September 1, 1952, and deliver not exceeding \$3,740,000. thereof at not less than par and accrued interest, in settlement of all or any part of the bank indebtedness of \$3,740,000. above mentioned, provided that it make such arrangements with said banks as will enable it to re-purchase at par the bonds so issued upon the issuance by it of said first mortgage and refunding five percent bonds. Upon the reacquisition of the \$3,740,000. of bonds, or such portion as may be issued in payment for bank loans, said bonds, together with the remainder of the \$6,747,000. of bonds, shall be pledged and deposited with the Union Bank and Trust Company of Los Angeles as California trustee under the mortgage and/or deed of trust which Southern California Gas Company is herein authorized to execute",

be, and the same is hereby amended so as to read--

"Southern California Gas Company may, pending the issue of said \$8,646,000. of first mortgage and refunding bonds and the issue of said \$5,000,000. of common stock, issue not exceeding \$6,747,000. of its first and refunding mortgage five and one half percent gold bonds, Series "B", due September 1, 1952, and deliver not exceeding \$3,740,000. thereof at not less than par and accrued interest, in settlement of all or any part of the bank indebtedness of \$3,740,000. above mentioned, provided that it make such arrangements with said banks as will enable it to re-purchase at par the bonds so issued upon the issuance by it of said first mortgage and refunding five percent bonds. Southern California Gas Company may pledge with Union Bank and Trust Company of Los Angeles,

"one of the trustees, under the mortgage and/or deed of trust, which said company is herein authorized to execute, that portion of said \$6,747,000. of bonds remaining after the delivery of not exceeding \$3,740,000. thereof in settlement of all or any part of the bank indebtedness of \$3,740,000. referred to in this paragraph prior to or simultaneously with the reacquisition of the bonds so delivered in settlement of said bank indebtedness referred to in this paragraph or the pledge thereof with said Union Bank and Trust Company of Los Angeles as such trustee, provided that all of said \$6,747,000. of bonds be deposited with said Union Bank and Trust Company of Los Angeles, as such trustee, on or before March 31, 1928. "

IT IS HEREBY FURTHER ORDERED that the order in said Decision No. 18918 shall remain in full force and effect, except as amended by this first supplemental order.

DATED at San Francisco, California, this 28th day of October 1927.

C. L. Seaver

Thos. B. Rowland

M. J. Lee

Commissioners.