

Decision No. 22172

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 INLAND EMPIRE GAS COMPANY, )  
 a corporation, for a certificate of )  
 public convenience and necessity to )  
 furnish gas to El Centro, Imperial, )  
 Brawley, Heber, Calexico and inter- )  
 vening territory in Imperial County, )  
 and for an order authorizing the issue )  
 and sale of its capital stock to )  
 finance such contemplated improve- )  
 ments. )

ORIGINAL

Application No. 12116

J. D. Taggart, for applicant.

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

By Decision No. 15888, dated January 21, 1926, as amended from time to time, the Railroad Commission authorized the Inland Empire Gas Company to issue on or before December 31, 1929, not exceeding \$375,000.00 par value of seven percent cumulative preferred stock and not exceeding \$205,800.00 par value of common stock, subject to the provisions and conditions of said decision.

At a hearing had on this matter on February 13th, applicant submitted evidence which shows that the company sold stock in the amount of \$187,350.00, divided into \$72,500.00 of preferred and \$114,850.00 of common. Of the preferred stock \$62,350.00 has been issued, leaving \$10,150.00 unissued. Of the common stock \$75,250.00 has been issued and \$39,600.00 remains unissued. Of the preferred stock unissued \$4,150.00 par value has been sold under installment contracts. This stock has not been issued because of the fact that the subscribers have not completed their payments. In addition the company has agreed to issue \$6,000.00 of its preferred stock to

J. D. Taggart, its president, as compensation for services rendered during 1928 and 1929.

It appears from the record that the company might have paid such amount to J. D. Taggart out of its income, but instead of making such payments it has invested such income in its properties. It in effect now asks that it be permitted to issue the \$6,000.00 of preferred stock for the purpose of reimbursing its treasury and delivering the same to J. D. Taggart for the purpose indicated. We find this request to be reasonable.

The company has subscriptions for common stock in the amount of \$33,000.00. This stock has not been issued because the subscribers have not completed their payments. In addition, it has a special contract covering the sale of additional common stock in the amount of \$6,600.00. The contract called for the sale of \$10,600.00 of stock. Under the contract \$4,000.00 of stock has been issued.

The company requests that the time within which it may issue the stock authorized by Decision No. 15888 be extended to June 30, 1930. This request, we believe, should be denied. The order herein will permit the issue on or before December 31, 1930 of the aforesaid \$10,150.00 par value of preferred stock and \$39,600.00 par value of the company's common stock, these amounts representing stock for which the company has received subscriptions or agreed to issue. If hereafter the company desires to issue addition stock, it should file a formal application for permission to do so.

The Commission having considered the evidence submitted at the hearing had on February 13th, and being of the opinion that the time within which the Inland Empire Gas Company may issue the aforesaid \$10,150.00 par value of preferred stock and the \$39,600.00 par value of its common stock should be extended to December 31, 1930, and that

the request of the company for additional time to issue the remainder of the stock authorized by Decision No. 15888 but not yet sold should be denied, therefore,

IT IS HEREBY ORDERED as follows:

(1) The time within which Inland Empire Gas Company may issue the aforesaid \$10,150.00 par value of preferred stock and \$39,600.00 par value of common stock sold under the authority granted by Decision No. 15888, dated January 21, 1926, as amended, be, and the same is hereby, extended to December 31, 1930.

(2) The request of Inland Empire Gas Company for additional time within which to issue and sell \$302,500.00 par value of its preferred stock and \$90,950.00 par value of its common stock, the issue of which was authorized by Decision No. 15888, dated January 21, 1926, as amended, be, and the same is hereby denied.

(3) That the order in Decision No. 15888, dated January 21, 1926, as amended, shall remain in full force and effect, except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 27th day of February, 1930.

C. S. Young  
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Thos. B. Loutin  
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M. J. Linn  
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Commissioners.