

Decision No. 22309

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 LOS ANGELES GAS AND ELECTRIC)
 CORPORATION for an order authorizing)
 the issuance and use for sinking fund)
 purposes of \$479,500 par value of its)
 Series "J" bonds.)

Application No. 16423

Paul Overton, for applicant.

BY THE COMMISSION:

O P I N I O N

In the above entitled matter Los Angeles Gas and Electric Corporation has applied to the Railroad Commission for permission to issue \$479,500.00 face value of its Series "J" general and refunding mortgage five percent gold bonds due 1950 and to deliver them to Security-First National Bank of Los Angeles, as trustee, under its trust indenture dated March 1, 1921.

It appears that under the provisions of the trust indenture referred to, applicant must deposit with the trustee annually on the first day of May of each year, so long as any bonds remain outstanding and unpaid, a sum in cash equal to one and three-fourths percent of the face value of the aggregate bonded indebtedness of the company outstanding on the fifteenth day of March of the year in which such payment shall become due, less the amount of cash paid and/or the aggregate face value of all bonds deposited in the sinking funds of underlying mortgages during the immediate preceding twelve months. In lieu of cash, the company may deliver to the trustee for sinking fund purposes at the face value thereof, bonds secured by the

general and refunding mortgage. All bonds so delivered for sinking fund purposes are to be cancelled forthwith by the trustee and delivered to the company.

It is now reported that pursuant to the provisions of the trust indenture, applicant will be required on May 1, 1930 to pay to Security-First National Bank of Los Angeles, the sum of \$479,480.00, or, in lieu thereof, bonds secured by the indenture. The company accordingly desires to deposit with the trustee \$479,500.00 of its Series "J" bonds in lieu of cash. It therefore makes this request for permission to issue the bonds.

In support of the request to issue bonds, the company alleges that between August 1, 1926 and December 31, 1929, it expended for permanent extensions and additions the sum of \$18,719,461.45, of which it has heretofore used \$9,948,044.18 of expenditures as the bases for orders heretofore authorizing the issue of stock and bonds, leaving a balance unused of \$8,771,417.27.

Because of the excess of expenditures over the face amount of bonds proposed to be issued, it does not seem to us to be necessary to make a detailed examination of all of the expenditures. In our opinion the ratio of applicant's bonded indebtedness to its reported investment in its properties, its uncapitalized expenditures and its financial condition warrant the granting of this request.

ORDER

Los Angeles Gas and Electric Corporation having applied to the Railroad Commission for permission to issue \$479,500.00 of bonds and the Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for through the issue of such bonds is reasonably required for the purpose specified herein, which purpose is not, in

whole or in part, reasonably chargeable to operating expenses or to income,

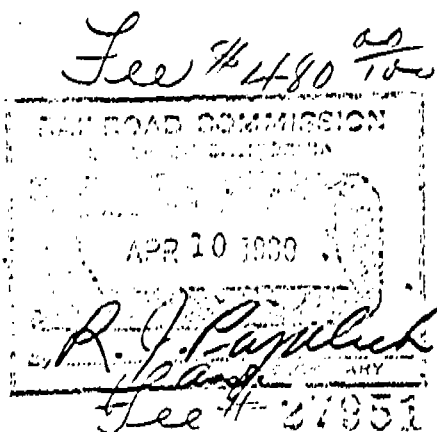
IT IS HEREBY ORDERED that Los Angeles Gas and Electric Corporation be, and it hereby is, authorized to issue, at not less than their face value, \$479,500.00 of its Series "J" general and re-funding mortgage five percent bonds, for the purpose of financing, in part, the construction expenditures referred to in the opinion preceding this order, and to deposit such bonds in the sinking fund created under and pursuant to its trust indenture of March 1, 1921.

The authority herein granted is subject to the following conditions:

(1) Applicant shall keep such record of the issue of the bonds herein authorized as will enable it to file within thirty days thereafter, 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 will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$480.00.

DATED at San Francisco, California, this 9th day of April, 1930.



Cl. Seaver
Leon A. White
W. S. Smith

Commissioners.