

LBM

Decision No. 25090

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SAN DIEGO CONSOLIDATED GAS AND ELEC- )  
TRIC COMPANY, a corporation, for an )  
order authorizing the issue and sale )  
of its first and refunding mortgage )  
gold bonds, Series "D", 5-1/2 percent, )  
in the principal amount of \$2,000,000. )

Application No. 18352

Chickering & Gregory, for applicant.

BY THE COMMISSION:

**ORIGINAL**

O P I N I O N

In this application San Diego Consolidated Gas and Electric Company asks permission to sell at not less than 88 percent of their face value and accrued interest, \$2,000,000. of its first and refunding mortgage gold bonds, Series "D" 5-1/2 percent, due March 1, 1960, and use the proceeds to pay \$1,500,000. of outstanding notes and to reimburse its treasury on account of income expended for capital purposes.

Applicant reports outstanding \$13,868,000.00 of bonds consisting of \$5,680,000.00 of first mortgage five percent bonds, \$2,750,000.00 of Series "A" six percent first and refunding mortgage gold bonds, \$4,000,000.00 of Series "B" five percent first and refunding mortgage gold bonds and \$1,438,000.00 of Series "C" six percent first and refunding mortgage gold bonds.

In addition, it reports outstanding \$1,500,000.00 of four and one half percent gold notes due December 1, 1932. These notes were issued under the authority granted by the Commission in Decision No. 24185 dated November 2, 1931 in Application No. 17739.

Applicant further reports that it has outstanding \$6,292,500.00 of preferred stock and \$10,032,500.00 of common stock.

There has been filed in this proceeding as Exhibit "C" an amendment to applicant's amended Articles of Incorporation which removes any provision of its amended Articles of Incorporation limiting the term of existence and changing Article Fourth in its amended Articles of Incorporation to read as follows:-

"FOURTH: That said corporation shall have perpetual existence."

Applicant reports in Exhibit "B" that as of June 30, 1932 it had uncapitalized expenditures of \$1,813,997.23. This amount is arrived at in the following manner:-

Uncapitalized construction Sept. 30, 1931 as per Application No. 17739, Decisions Nos. 24185 and 24257, dated November 2, 1931, and November 23, 1931, respectively.....	\$2,021,900.37
Cash necessary to pay off one year four percent gold notes December 31, 1931.....	1,500,000.00
Net additions and betterments for period September 30, 1931 to June 30, 1932.....	497,819.63

DEDUCT:

CASH FROM EARNINGS AND OTHER SOURCES

SEPT. 30, 1931 TO JUNE 30, 1932:

Net increase in reserve for accrued depreciation.....	\$ 714,108.40	
Amortization of bond discount and expense.....	71,895.90	
Customers advances and deposits-CR.	27,576.54	
Other reserves-CR. ....	30,204.99	
Sub-total.....		<u>728,222.77</u>

DEDUCT:

Proceeds of one year 4-1/2% gold notes authorized in Decision No. 24185 dated November 2, 1931 .....	<u>1,477,500.00</u>
Leaving uncapitalized construction June 30, 1932 .....	<u>\$1,813,997.23</u>

In view of the fact that the amount of applicant's construction expenditures materially exceeds the proceeds which it should have available to finance such expenditures, we believe it is unnecessary for the purpose of this proceeding to make a detailed examination of its reported expenditures.

O R D E R

San Diego Consolidated Gas and Electric Company having applied to the Commission for permission to issue \$2,000,000.00 of its first and refunding mortgage gold bonds, Series "D" 5-1/2 percent, due March 1, 1960, the Commission having considered the request of applicant and being of the opinion that a hearing is not necessary in this matter, that the money, property or labor to be procured or paid for by the issue of said bonds is reasonably required by applicant for the purposes herein stated, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED, that San Diego Consolidated Gas and Electric Company be, and it is hereby, authorized to issue and sell on or before December 1, 1952, at not less than 88 percent of their face value and accrued interest, \$2,000,000.00 of its first and refunding mortgage gold bonds, Series "D", 5-1/2 percent, due March 1, 1960, and use the proceeds to pay \$1,500,000.00 of outstanding notes and to reimburse its treasury on account of income expended for capital purposes, as set forth in Exhibit "B" filed in this proceeding.

IT IS HEREBY FURTHER ORDERED, that 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 Five Hundred (\$500.00) Dollars.

IT IS HEREBY FURTHER ORDERED, that 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 2nd day of August, 1932.

C. S. Adams  
Leon Whittell  
M. J. Carr  
M. B. Harris  
Fred G. Stewart  
Commissioners.

Fee \$500.00  
RAILROAD COMMISSION  
STATE OF CALIFORNIA  
AUG 22 1932  
R. M. Anderson  
Fee # 29815