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Decision No. 10908

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of  
SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA }  
for authority to issue additional first }  
mortgage bonds in the amount of \$1,498,416., }  
and to sell same. }

**ORIGINAL**  
Application No. 7531.

W.S. McFarland, for applicant.

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

WHEREAS, the Railroad Commission by Decision No. 10101, dated February 17, 1922, authorized SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA to issue \$1,498,416.00 face value of first mortgage 5-1/2 per cent. bonds due May 1, 1936, subject to the condition, among others, that \$1,132,416.00 of such bonds be not sold or otherwise disposed of by applicant, except as authorized by the Commission; and

WHEREAS, the Commission by its first supplemental order in the above entitled matter, Decision No. 10360, dated April 25, 1922, authorized applicant to sell \$350,000.00 of the bonds authorized by Decision No. 10101 at not less than 88 per cent. of face value for the purpose of financing construction expenditures made prior to March 31, 1922; and

WHEREAS, applicant in its second supplemental petition in this proceeding reports that between April 1st and June 30th, 1922, it expended \$425,603.99 for permanent extensions, additions and betterments to its existing plants and properties which has not been financed through the sale of bonds; and

WHEREAS, applicant asks permission to sell \$340,000.00 of the said \$1,132,416.00 of bonds, at not less than 90 per cent. of face value plus accrued interest, to reimburse its treasury, in part,

on account of these reported expenditures, which are described in some detail in its Exhibit "1" filed in connection with its second supplemental petition;

AND a public hearing having been held before Examiner Williams in Los Angeles, and it appearing to the Railroad Commission that the money, property or labor to be procured or paid for by such sale is reasonably required for the purposes specified herein, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA be, and it is hereby, authorized to sell, at not less than 90 per cent. of their face value plus accrued interest, \$340,000.00 of the first mortgage 5-1/2 per cent. bonds which the Commission authorized to be issued by Decision No. 10101, dated February 17, 1922, and to use the proceeds to finance in part the cost of extensions, additions and betterments installed prior to June 30, 1922, and referred to in this order, and through such financing pay current indebtedness.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 10101, dated February 17, 1922, shall remain in full force and effect, except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 24<sup>th</sup> day of August, 1922.

H. B. Brundage  
Waring Martin  
J. F. Pennington

Commissioners.