

ORIGINAL

Decision No. 1151

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA:

In the matter of the application of SAN DIEGO CONSOLIDATED GAS AND ELECTRIC COMPANY for an order authorizing the issuance of bonds of the face value of \$639,000.

Application No. 590.

THELEN, Commissioner.

SIXTH SUPPLEMENTAL OPINION.

This is a supplemental application for authority to issue bonds of the face value of \$22,000.

On June 30, 1913, this Commission rendered its opinion and order in the above entitled proceeding, authorizing applicant to issue certain bonds, including bonds of the face value of \$459,000, on expenditures to be incurred during the year 1913. The present supplemental application is filed for the purpose of securing this Commission's authorization for the issue of \$22,000, face value, of said bonds for capital expenditures incurred during the month of November, 1913.

A summary of the estimated expenditures during the year 1913, subsequent to October 31, 1913, and of the actual expenditures in November, 1913, and of the balance to be expended is attached to the application and reads as follows:

S U M M A R Y.

	Balance to be expended as of October 31, 1913	Expenditures in November 1913	Balance to be Expended.
1. Steam Power Plant Equipment	45,882.11	396.88	45,485.23
2. Electric Distribution System	47,095.92	15,205.64	32,890.28
3. Gas Plant Buildings and General Structures	827.82	595.90	231.92
4. Gas Generators	13,879.08	915.27	14,794.35
5. Purification Appliances	9,803.06	2,765.50	7,037.56
6. Water Gas Sets & Accessories	7,000.00		7,000.00
7. Accessory Equipment at Works	16,328.92	2,978.06	19,306.98
8. Gas Distribution	141,827.13	3,850.10	137,977.03
9. Gas Services	33,276.62	3,301.28	29,975.34
10. Gas Meters	<u>283.30</u>	1,250.55	1,533.85
11. Miscellaneous Distribution Equipment	9,327.51	90.65	9,236.86
12. General Structures	515.79	79.09	436.70
13. General Shop Equipment	3,324.41	219.27	3,105.14
14. Contingencies	<u>195.37</u>	<u>101.15</u>	<u>94.22</u>
	296,342.60	29,918.80	266,423.80

Under the provisions of applicant's trust deed or mortgage, it is entitled to receive from the Trustee, bonds of the face value of 75 per cent of proper capital expenditures. It is evident that the amount of bonds for which this Commission's authority is now requested, being bonds of the face value of \$22,000, is less than 75 per cent of the capital expenditures during the month of November, 1913.

I find that the purposes for which expenditures were incurred during the month of November, 1913, come within the general purposes specified in this Commission's opinion and order dated June 30, 1913, with the exception of certain items as to which the amounts expended have run over the estimates. In these cases, however, the amounts expended are for proper capital purposes and the expenditure should be allowed.

Applicant alleges that it expects to be able to sell its bonds for not less than 85 per cent of their face value.

I recommend that this supplemental application be granted and submit herewith the following form of order:

SIXTH SUPPLEMENTAL ORDER.

SAN DIEGO CONSOLIDATED GAS AND ELECTRIC COMPANY having applied to the Railroad Commission for the consent of the Commission to the issuance of bonds by said company of the face value of twenty-two thousand dollars (\$22,000), said bonds to be included within the general authorization heretofore given by this Commission's order in the above entitled proceeding, dated June 30, 1913, said bonds to be payable on the first day of March, 1939, and to bear interest at the rate of five (5) per cent per annum, payable semi-annually, and secured by a trust deed or mortgage upon all the property of the company; and the Commission finding that the moneys to be procured by the issue of said bonds are necessary to and reasonably required by said company for the discharge and refunding of obligations heretofore incurred

for proper capital expenditures, and that said purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that the Railroad Commission of the State of California hereby authorizes the issue by San Diego Consolidated Gas and Electric Company of twenty-two thousand Dollars (\$22,000), face value, of bonds of said company, bearing numbers 4038 to 4059, inclusive, maturing the first day of March, 1939, redeemable on March 1, 1914, or on any interest date thereafter, at par, accrued interest and ~~scrips~~ premium of five (5) per cent on the principal thereof, and to bear interest at five (5) per cent per annum, payable semi-annually, under and in pursuance of the terms of the deed of trust or mortgage heretofore and on the first day of March, 1909, made and executed by said San Diego Consolidated Gas and Electric Company to Harris Trust and Savings Bank and Los Angeles Trust Company, now known as the Los Angeles Trust and Savings Bank, as trustees, upon the conditions following and not otherwise, to-wit:

1. San Diego Consolidated Gas and Electric Company shall sell said bonds hereby authorized so as to net said company not less than eighty-five (85) per cent of the face value of the principal thereof, besides interest accrued thereon.

2. San Diego Consolidated Gas and Electric Company shall apply the proceeds from the sale of said bonds only for the purpose of discharging and refunding indebtedness incurred for capital expenditures made during the month of November, 1913, as those expenditures are set out in the opinion which precedes this order.

3. San Diego Consolidated Gas and Electric Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the bonds hereby authorized to be issued, and on or before the twenty-fifth day of each month the company shall make a verified report to the Commission, stating the sale or sales of said bonds during the previous month,

the terms and conditions of sale, the moneys realized therefrom and the use and application of such moneys, all in accordance with this Commission's General Order No. 24, which order in so far as applicable is made a part of this order.

4. San Diego Consolidated Gas and Electric Company shall file with this Commission certified copies of the statements or certificates to be filed by it with the trustees under its said trust deed, on which statements or certificates it expects to receive from the trustees the bonds hereby authorized to be issued.

5. The authority hereby given to issue bonds shall apply only to bonds issued by said company on or before the 31st day of January, 1914.

The foregoing sixth supplemental opinion and order are hereby approved and ordered filed as the sixth supplemental opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 20th day of December, 1913.

H. D. Ireland
Alex. Gordon
Wm. J. Ireland
Edwin O. Edgerston
Commissioners.