

Decision No. _____

Decision No. 2735

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

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ORIGINAL

In the matter of the Application of)
SOUTHERN CALIFORNIA GAS COMPANY)
for an order authorizing the sale of) Application No. 1645.
certain properties.)

THELEN, Commissioner.

FIRST SUPPLEMENTAL OPINION.

This Commission heretofore on June 25, 1915, (Decision No. 2517) authorized SOUTHERN CALIFORNIA GAS COMPANY to transfer to Midway Gas Company its natural gas compressor plant near Taft, Kern County, its natural gas field gathering lines located in Kern County and certain contracts for the development of natural gas, all as specified in said decision, to which reference is hereby made. It was provided that in consideration for this transfer, Midway Gas Company should issue to Southern California Gas Company \$684,000 of its First and Refunding Mortgage 15-year Gold Bonds.

By reason of certain adjustments in this transaction a supplemental order is now required to enable the Southern California Gas Company and Midway Gas Company to complete their negotiations. For the details of the adjustment in this matter, reference is hereby made to the first supplemental opinion and order (Decision No. 2735) issued today in the matter of the application of Midway Gas Company for authority to issue stock, bonds and notes, (Application No. 1644).

Under the adjusted figures, the amount of bonds to be issued in payment for the properties to be transferred by Southern California Gas Company is reduced from \$684,000 to \$663,000. It is further provided that \$660,000 of these bonds should be issued direct to Southern California Gas Company and that the remaining \$23,000 of bonds may be used by Midway Gas Company to liquidate an indebtedness of \$20,833.57 owing by Southern California Gas Company in connection with the cost of natural gas contracts. It will be provided, therefore, that \$660,000 of Midway Gas Company bonds should go direct to Southern California Gas Company to be placed under the lien of its first mortgage bonds, and that in addition Midway Gas Company should extinguish this indebtedness of \$20,833.57 for the benefit of Southern California Gas Company.

Accordingly, I submit the following form of order:

FIRST SUPPLEMENTAL ORDER.

The order of this Commission dated June 25, 1915, (Decision No. 2517) in the above entitled proceeding is hereby amended to the end that the compensation to be received by Southern California Gas Company for the sale of the properties therein authorized to be transferred to Midway Gas Company shall in lieu of \$684,000 face value of first and refunding bonds of Midway Gas Company consist of \$660,000 of said first and refunding mortgage 15-year gold bonds of said Midway Gas Company and the payment by Midway Gas Company in a manner satisfactory to Southern California Gas Company of an indebtedness of said Southern California Gas Company in an amount of \$20,833.57, representing the cost to Southern California Gas Company of certain natural gas contracts.

IT IS FURTHER ORDERED that the order of this Commis-

sion heretofore rendered in this matter, to which reference has heretofore been made be amended, and it is hereby ordered amended, so that instead of \$684,000 of Midway Gas Company bonds, heretofore directed to be made subject to the lien of the first mortgage bonds of Southern California Gas Company, there shall be subject to the first mortgage bonds of Southern California Gas Company \$660,000 face value of first and refunding mortgage 15-year gold bonds of Midway Gas Company.

IT IS FURTHER ORDERED that all of the provisions of the order heretofore issued in this matter by this Commission, dated June 25, 1915, shall, except as in conflict with the order herein, remain in full force and effect.

The foregoing First Supplemental Opinion and Order are hereby approved and ordered filed as the First Supplemental Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this *1st*
day of *Sept*, 1915.

Max Shelton
H. H. England
Edwin O. Edgerton

Commissioners.