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Decision No. _____

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Decision No. 3493-

In the Matter of the Application ()
of SOUTHERN COUNTIES GAS COMPANY)
OF CALIFORNIA for authority to issue(Application No. 2387
common stock for the retirement of)
preferred stock. ()

Wilson and Wilson, for applicant.

LOVELAND, Commissioner.

O P I N I O N

This is an application of Southern Counties Gas Company of California for an order of the Commission ratifying its action in issuing 3,400 shares of common capital stock to retire and cancel 3,400 shares of preferred capital stock, and for authority to issue 6,600 shares of common capital stock to retire and cancel 6,600 shares of outstanding preferred capital stock.

The authorized capital stock issue of Southern Counties Gas Company of California has recently been increased from \$1,000,000 divided into 10,000 shares of

the par value of \$100.00 per share of which 5,000 shares were preferred stock and 5,000 shares common stock, to \$5,000,000, consisting of 50,000 shares of the par value of \$100.00 per share, divided into 25,000 shares of preferred stock and 25,000 shares of common stock.

On May 22, 1916, applicant had outstanding 5,000 shares of common stock of the par value of \$500,000 and 3,400 shares of preferred stock of the par value of \$340,000.

Under the authority granted by this Commission's Decision Number 3360, dated May 22, 1916, applicant issued 6,600 shares of preferred stock of the par value of \$660,000 and 3,400 shares of common stock of the par value of \$340,000. The 3,400 shares of common stock so issued were issued in exchange for the 3,400 shares of preferred stock, said 3,400 shares of preferred stock being retired and cancelled.

As this exchange was made in accordance with the terms of Decision Number 3360 referred to above, further ratification by this Commission is unnecessary.

The applicant's request to issue 6,600 shares of common stock to retire and cancel the 6,600 shares of preferred stock now outstanding, I believe, may properly be granted, the affairs of this Company having been carefully investigated in connection with Applications Number 2198, 2199 and 2271 decided in Decision Number 3360, referred to above.

I accordingly submit the following form of Order:

O R D E R

SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA
having applied to this Commission for an order ratifying

an issue of 3,400 shares of common stock to retire and cancel 3,400 shares of preferred capital stock, and for an order authorizing it to issue 6,600 shares of common stock to retire and cancel 6,600 shares of preferred stock;

And a hearing having been held;

And it appearing to this Commission that its further authority is not necessary for the issue of 3,400 shares of common stock to retire 3,400 shares of preferred stock, authority for such exchange having been granted in this Commission's Decision Number 3360, dated May 22, 1916;

And it appearing further that applicant's request that it be allowed to issue 6,600 shares of common stock to retire and cancel a like amount of preferred stock is reasonable and should be granted and that the purposes for which it is proposed to issue said 6,600 shares of common stock 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 issue 6,600 shares of common capital stock upon the following conditions and not otherwise:-

1.-The 6,600 shares of common stock herein authorized to be issued shall be issued solely for the purpose of retiring and canceling 6,600 shares of preferred capital stock now outstanding.

2.-The amount of stock herein authorized to be issued shall not be binding upon this Commission or any court or any other public body as a finding as to the value of the properties of Southern Counties Gas Company of California or any portion of said properties.

3.-The authority herein granted to petitioner to issue said 6,600 shares of common stock shall not be interpreted or construed otherwise than as a grant of permission from this Commission to applicant in practical effect to reclassify stock heretofore outstanding, entailing in no degree a recognition of any value or values in said common stock.

4.-Southern Counties Gas Company of California shall keep separate, true and accurate accounts showing the records of the issue of the stock herein authorized to be issued; and on or before the twenty-fifth day of each month the company shall make verified reports to the Commission stating the amounts of said stock issued during the preceding month, and the amounts of preferred stock retired and cancelled thereby.

5.-The authority herein granted to issue and exchange stock shall apply only to such stock as shall have been issued and exchanged on or before November 30, 1916.

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

Dated at San Francisco, California, this 8th - day of July, 1916.

Max Thelen
H. J. Garland
Wm. Gordon
Edwin O. Edgerton
Frank R. White
Commissioners.