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ORIGINAL

Decision No. 3527

Decision No. \_\_\_\_\_

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Appli- )  
 cation of SOUTHERN CALIFORNIA )  
 GAS COMPANY for an order au- ) Application No. 2398  
 thorizing the issue of certain )  
 promissory notes. )

A. E. Peat, for applicant.

LOVELAND, Commissioner.

O P I N I O N

This is an application of Southern California Gas Company for authority to renew for a period not exceeding one year from their respective dates of maturity promissory notes in the total sum of \$49,787.90.

The notes which applicant desires to renew are as follows:

<u>Payee</u>	<u>Date</u>	<u>Amount</u>	<u>Int</u>	<u>Maturity</u>	<u>Former Order of Commission</u>
Sprague Meter Co.	5/28/16	\$10,625.11	6%	8/28/16	#2717
The J. G. White Eng. Corp.	5/29/16	3,036.70	6%	8/29/16	2717
Merchants Nat. Bank of Los Angeles,	6/ 7/16	3,312.95	6%	9/ 5/16	
Wm. G. Kerckhoff	5/ 1/16	5,000.00	6%	8/ 1/16	
Wm. G. Kerckhoff	5/ 1/16	5,000.00	6%	8/ 1/16	
Wm. G. Kerckhoff	5/ 1/16	5,000.00	6%	8/ 1/16	
The J.G. White Eng. Corp.	3/24/16	2,730.16	6%	6/23/16	
Sprague Meter Co.	2/20/16	11,240.67	6%	5/20/16	2361
Kaspere Cohn Com. & Savings Bank,	1/31/16	3,842.31	6%	7/31/16	

Witness for applicant stated that of the above notes, those issued to Sprague Meter Company and J. G. White Engineering Corporation represent notes issued directly for capital expenditures.

Witness further stated that the notes to William G. Kerckhoff and Kaspere Cohn Commercial and Savings Bank represent advances made by said parties and used either for additions and betterments or to reimburse applicant's treasury for capital expenditures made out of income. Witness also stated that the note to Merchants National Bank of Los Angeles was given by the Company in order to take up a note given by a wholesale consumer in payment for gas purchased. This consumer went into bankruptcy and the Company found it necessary to give its own note for the purpose of securing possession of the note given by the consumer.

After a consideration of the evidence submitted by applicant I am of the opinion that this application should be granted and accordingly submit the following form of Order:

O R D E R

SOUTHERN CALIFORNIA GAS COMPANY having applied to this Commission for authority to issue \$49,787.90 face value of promissory notes for the purpose of renewing other notes now outstanding as hereinbefore set forth;

And a hearing having been held;

And it appearing to this Commission that applicant's request is reasonable and should be granted;

IT IS HEREBY ORDERED that Southern California Gas Company be and it is hereby authorized to issue its promissory notes for a term not exceeding one year for the purpose of renewing the following promissory notes now outstanding

<u>Payee</u>	<u>Date</u>	<u>Amount</u>	<u>Int.</u>	<u>Maturity</u>
Sprague Meter Company	5/28/16	\$10,625.11	6%	8/28/16
The J. G. White Eng. Corporation,	5/29/16	3,036.70	6%	8/29/16
Merchants Nat. Bank of Los Angeles,	6/ 7/16	3,312.95	6%	9/ 5/16
Wm. G. Kerckhoff,	5/ 1/16	5,000.00	6%	8/ 1/16
Wm. G. Kerckhoff,	5/ 1/16	5,000.00	6%	8/ 1/16
Wm. G. Kerckhoff,	5/ 1/16	5,000.00	6%	8/ 1/16
The J. G. White Eng. Corporation,	3/24/16	2,730.16	6%	6/23/16
Sprague Meter Company	2/20/16	11,250.67	6%	5/20/16
Kaspere Cohn Com. & Savings Bank	1/31/16	3,842.31	6%	7/31/16

The authority herein granted is granted upon the following conditions and not otherwise:

- 1.-The notes herein authorized to be issued shall be issued so as to net applicant not less than the face value thereof.
- 2.-The notes herein authorized to be issued shall be issued to the same payees, at the same rates of interest and in the same amounts as the notes which they are given to refund.
- 3.-Applicant may, if it so desires, issue notes for a period of less than 1 year and renew said notes from time to time, provided that the combined terms of the notes herein authorized and those issued in renewal thereof shall not exceed 1 year.
- 4.-Southern California Gas Company shall report to the Railroad Commission within ten days after the issue of the respective notes hereby authorized the fact and the date of issue, the face value of the respective notes, the rate of interest and the application of the proceeds, 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.

5.-The authority herein granted is conditioned upon the payment by applicant of the fee prescribed in the Public Utilities Act as amended.

6.-The authority herein granted shall apply only to notes issued on or before August 31, 1917.

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

Dated at San Francisco, California, this 20<sup>th</sup> day of July, 1916.

Railroad Commission of California  
JEP:JST  
JUL 22 1916  
BY: H. G. Mathison  
Assistant Secretary

Max Thelen  
H. B. Howard  
W. L. Gordon  
Frank D. Berlin

Commissioners.