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

ORIGINAL

Decision No. 3832

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 bonds. )

Application No. 2542

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LOVELAND, Commissioner.

FIRST SUPPLEMENTAL ORDER

WHEREAS on October 2, 1916, Decision Number 3748, this Commission authorized Southern Counties Gas Company to issue \$370,000. of its first mortgage five and one-half per cent twenty year bonds; and

WHEREAS said order provided that \$85,000.00 of said bonds should be issued forthwith and that the balance of \$285,000.00 of said bonds should be issued only upon supplemental orders from this Commission for the purpose of providing funds to pay 80 per cent of the cost of applicant's proposed improvements from August 31, 1916 to July 31, 1917; and

WHEREAS applicant now requests authority to issue \$37,000.00 face value of bonds pursuant to said Decision Number 3748; and

WHEREAS the applicant has expended the following sums subsequent to August 31, 1916 for additions and betterments:

1.-For extensions, additions and betterments in accordance with applicant's Exhibit "F", filed in this application and more particularly as listed in Exhibit "A" attached to the supplemental application herein .....\$34,967.27

2.-For the purchase of the gas distribution system of the Brea Gas Company from the Birch Oil Company in accordance with the authority granted by this Commission in its Decision Number 3772 .....\$10,590.56

3.-For the purchase of the pipe line of West Coast Gas Company from Huntington Beach to Newport Beach .....\$ 1,250.00

Total .....\$46,807.83

and;

WHEREAS the applicant proposes to issue as permitted under its deed of trust, bonds in the amount of \$37,000.00 which is the equivalent to 80 per cent of said additions and betterments; and

WHEREAS applicant has satisfied the earning requirements of its deed of trust in that its net earnings for the twelve months ending September 30, 1916 exceed one and one-half times the annual interest on bonds outstanding plus the interest on the bonds proposed to be issued.

AND IT APPEARING FURTHER that the bonds which applicant proposes to issue are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Southern Counties Gas Company be granted authority and it is hereby granted authority to issue \$37,000.00 par value of its first mortgage five and one-half per cent twenty year bonds, said bonds being a part of the \$285,000.00 of bonds authorized to be issued in this Commission's Decision Number 3748.

The authority herein granted to issue said bonds is granted upon the following conditions and not otherwise:-

1.-The bonds herein authorized to be issued shall be net applicant not less than 92½ per cent of their face value plus accrued interest thereon.

2.-The proceeds derived from said bonds shall be used to reimburse the applicant for expenditures for additions and betterments, the moneys to be applied upon applicant's notes and accounts payable as listed with this Commission in Exhibits "C" and "D".

3.-Southern Counties Gas Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the bonds 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 sale or sales of said bonds during the preceding month, the terms and conditions of the 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.-The authority herein granted is conditioned upon the payment by applicant of the fee prescribed in the Public Utilities Act as amended.

5.-The bonds herein authorized to be issued shall be issued on or before June 30, 1917.

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

Dated at San Francisco, California, this 2nd day of <sup>November</sup> ~~October~~, 1916.

Railroad Commission of California  
J.E. #2700  
NOV 3 1916  
J.H. Mahan  
ASST. SECRETARY

Max Thelers  
H. Howard  
Alex. Gordon  
Frank R. Doha  
Commissioners.