

Decision No. _____

ORIGINAL

Decision No. 41072

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SOUTHERN COUNTIES GAS COMPANY
OF CALIFORNIA for authority to
issue bonds.

Application No. 2542

Leroy M. Edwards, for applicant.

LOVELAND, Commissioner.

THIRD SUPPLEMENTAL ORDER

WHEREAS by Decision Number 3748, dated October 2, 1916, this Commission authorized Southern Counties Gas Company of California to issue \$370,000. face value of its First Mortgage 5-1/2 per cent 20 year bonds; and

WHEREAS said Decision Number 3748, provided that \$85,000. of said bonds might be issued forthwith and that the balance of \$285,000. 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 by Decision Number 3832, dated November 2, 1916, applicant was authorized to issue \$37,000.00 face

value of said \$285,000. to pay for 80 per cent of the expenditures for improvements and acquisition of property as set forth in said Decision Number 3832; and

WHEREAS by Decision Number 3941, dated December 20, 1916, applicant was authorized to issue \$36,000. face value of said \$285,000. to pay for 80 per cent of the expenditures for improvements and acquisition of property as set forth in said Decision Number 3941; and

WHEREAS applicant has now filed with this Commission a statement of capital expenditures for the month of November 1916 of \$76,296.09, against which applicant now desires to issue \$61,000. face value of its first mortgage 5-1/2 per cent, 20 year bonds; and

WHEREAS applicant has satisfied the earning requirements of its deed of trust in that its net earnings for twelve months ending November 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 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 of California be granted authority and it is hereby granted authority to issue \$61,000.00 face value of its First Mortgage 5-1/2 per cent 20 year bonds, said bonds being a part of the aforesaid \$285,000. face value of bonds to which reference is made in Decision Number 3748, dated October 2, 1916.

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 net applicant not less than 92-1/2 per cent of their face value plus accrued interest thereon.

2.-The proceeds derived from the sale of said \$61,000. face value of bonds shall be used to reimburse 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 a statement filed in this proceeding on January 17, 1917.

3.-Southern Counties Gas Company of California 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 Third Supplemental Order is hereby approved and ordered filed as the Third Supplemental Order of the Railroad Commission of the State of California in the above entitled proceeding.

Dated at San Francisco, California, this 31st day of January, 1917.

Max Thelen
H. D. Overland
Alvin G. Brown

Frank R. Nelson

Commissioners.

