

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.

ORIGINAL

Hunsaker & Britt and Leroy M. Edwards,
by Leroy M. Edwards, for Applicant.

LOVELAND, Commissioner.

SIXTH SUPPLEMENTAL ORDER.

WHEREAS, on October 2, 1916, this Commission authorized Southern Counties Gas Company of California, to issue \$370,000 face value of its first mortgage five and one-half (5½) per cent bonds due May 1, 1936; and

WHEREAS, said Decision No. 3748 authorized the applicant to issue forthwith \$85,000 of said \$370,000 face value of bonds and to issue the balance thereof on supplemental orders from this Commission; and

WHEREAS, the applicant has now filed its Seventh Supplemental Application herein requesting authority to issue an additional \$46,000 of said \$370,000 of bonds; and

WHEREAS, the applicant in exhibits heretofore filed in connection with this application, and in Exhibit "A" filed in connection with this Seventh Supplemental Application has presented a statement of additions and betterments made to its plant and system during the period from September 1, 1916, to March 31, 1917, in the sum of \$341,179.50; and

WHEREAS, under the terms of applicant's mortgage and deed of trust it may issue bonds up to eighty (80) per cent of the cost of such additions and betterments, or to the amount

of \$272,943.60; and

WHEREAS, the applicant has to date been granted authority to issue and has issued against such additions and betterments bonds in the sum of \$226,500; and

WHEREAS, the applicant therefore has constructed additions and betterments against which it may now properly issue \$46,000 additional bonds; and

WHEREAS, the applicant has satisfied the earning requirements of its deed of trust in that its net earnings for the twelve months ending March 31, 1917, amounted to \$254,009.45, thereby exceeding one and one-half times the annual interest on its bonds now outstanding, plus the interest on the bonds proposed to be issued, or the sum of \$235,743.75; and

A hearing having been held;

AND IT APPEARING that the money and property to be procured by the applicant through the issue of bonds herein authorized is reasonably required for the purposes specified in the order herein;

AND IT APPEARING FURTHER that the purposes for which it is proposed to issue said bonds are not in whole or in part reasonably chargeable to operating expenses or income,-

IT IS HEREBY ORDERED that Southern Counties Gas Company of California be and it is hereby granted authority to issue \$46,000 face value of its first mortgage five and one-half per cent twenty year bonds, said bonds being a part of the \$370,000 face value of bonds heretofore authorized to be issued in Decision No. 3748 heretofore referred to.

The authority herein granted to issue \$46,000 face

value bonds is granted upon the following conditions and not otherwise:

1. The bonds herein authorized to be issued shall be sold so as to net the applicant not less than ninety-three and one-half (93½) per cent of their face value, plus accrued interest thereon, in cash.

2. The proceeds derived from the sale of said \$46,000 face value of bonds shall be issued to reimburse applicant for expenditures for additions and betterments, the moneys to be applied on applicant's notes and accounts payable as reported to this Commission in Exhibits Nos. 1 and 2 filed on May 3, 1917, in re Seventh Supplemental Application under Application No. 2542.

3. Southern Counties Gas Company of California shall keep separate, true and accurate accounts showing the receipts and application in detail of the proceeds of the sale of 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 Railroad 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 Section 57 of the Public Utilities Act.

5. The authority herein granted shall apply to such bonds as shall have been issued on or before December 31, 1917.

The foregoing ~~condition~~ order is hereby approved

and ordered filed as the ~~order~~ order of the Railroad
Commission of the State of California.

Dated at San Francisco, California, this 8th
day of May, 1917.

Max Theelen

W. H. Howard

W. L. Gordon

Edwin O. Edgerton

James R. Nolan

Commissioners.

Railroad Commission of the State of California

Fee # 46.00

MAY 1917

BY W. M. Wachner
ASSISTANT SECRETARY.