

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Decision No. 4880

In the matter of the application of Southern Counties Gas Company of Cali- fornia for authority to issue and sell additional bonds in the amount of \$324,000.	} Application No. 2974
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Hunsaker, Britt and Le Roy M. Edwards, by  
Le Roy M. Edwards, and  
G. Harold Janeway, for Applicant.

LOVELAND, Commissioner.

FIFTE SUPPLEMENTAL ORDER

WHEREAS, the Railroad Commission by Decision No. 4430, dated June 25, 1917, authorized Southern Counties Gas Company of California to issue \$324,000 of its first mortgage twenty-year five and one-half per cent bonds payable May 1, 1936, subject to the terms and conditions of Supplemental Orders of the Commission, and

WHEREAS, applicant in the above entitled matter has filed with the Railroad Commission its third supplemental petition asking authority to issue \$79,000 face value of said \$324,000 of bonds at not less than 85 per cent of their face value and use the proceeds to reimburse its treasury for capital expenditures or payment of indebtedness as directed by the Commission, and

WHEREAS, applicant reports in Exhibit "A", attached to the third supplemental application herein, that during the months of August, September and October, 1917, it has expended for permanent extensions, betterments and improvements, to its existing plant and property, the sum of \$98,552.91; that under the provisions of its deed of trust it is entitled to issue bonds in an amount equal to 80 per cent of said capital

expenditures; that because of such capital expenditures it is now entitled to issue bonds in the amount of \$78,842.32; that prior to August, 1917, it has expended for capital purposes the sum of \$403.40 against which no bonds have been issued; that its net earnings for the twelve months ending October 31, 1917, are in excess of one and one-half times the interest on the outstanding bonds plus the interest on the bonds now to be issued and that because of the capital expenditures herein recited it is now permitted under its deed of trust to issue bonds in the sum of \$79,165.04, and,

WHEREAS, applicant, in Exhibit No. 1, Third Supplemental Application No. 2974, reports that \$351,612.75 of its notes and accounts payable represent capital expenditures; and also reports in Exhibit No. 2, Third Supplemental Application No. 2974, that \$97,398.24 of its notes and accounts payable represent indebtedness incurred for supplies and miscellaneous purposes, and a public hearing having been held, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of \$79,000 of bonds is reasonably required for the purpose or purposes specified in the order, and that said purpose or purposes 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 and sell at not less than 85 per cent of their face value in cash, plus accrued interest \$79,000 of its first mortgage 20-year five and one-half per cent bonds due and payable May 1, 1936, upon the following conditions and not otherwise:

(1) The proceeds from \$34,000 of the bonds herein authorized to be issued shall be used to pay notes and accounts

payable, listed in Exhibit No. 1, Third Supplemental Application No. 2974,

(2) The proceeds from \$45,000 face value of bonds herein authorized to be issued shall be used to reimburse applicant's treasury because of earnings expended for capital purposes and after such reimbursement shall be used to pay notes and accounts payable, listed in Exhibit No. 2, Third Supplemental Application No. 2974, or notes and accounts payable listed in Exhibit No. 1, Third Supplemental Application No. 2974.

(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 25th 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.

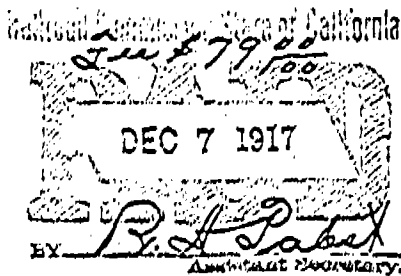
(4) The authority herein granted to Southern Counties Gas Company of California to issue bonds is conditioned upon the payment by applicant of the fee prescribed by the Public Utilities Act.

(5) The authority herein granted to issue bonds

applies only to such bonds as shall be issued on or before  
February 28, 1918.

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

Dated at San Francisco, California, this 26<sup>th</sup>  
day of November, 1917.



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H. Loveland

Edwin O. Edgerton

Frank R. Wilson

Commissioners.