

Decision No. 6535-

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application  
of Southern Counties Gas Company for  
authority to issue additional bonds  
in the amount of \$41,500.

) Application No. 4270  
) (Second Supplemental)  
)

Hunsaker, Britt and Edwards,  
By Leroy M. Edwards for applicant.

LOVELAND, Commissioner.

SUPPLEMENTAL OPINION

The Railroad Commission of the State of California by Decision No. 6027, dated December 26, 1918, authorized applicant herein to issue \$629,000.00 face value of its 5-1/2 per cent first mortgage bonds, payable May 1, 1919.

Condition No. 4 of said Decision No. 6027, dated December 26, 1918, reads as follows:

"The sale of \$160,000.00 of bonds, the issue of which is herein authorized, shall be made pursuant to the terms and conditions of a supplemental order or orders issued from time to time by the Railroad Commission in the proceeding."

Applicant herein, on July 15, 1919, filed in the above entitled matter its second supplemental application<sup>asking</sup> for authority to issue and sell additional bonds in the amount of \$41,500.00, the proceeds from the sale thereof to be used to reimburse applicant for capital expenditures during the month of May, 1919

A public hearing was held herein on July 24, 1919, at Los Angeles.

In its supplemental petition, applicant reports that during the month of May, 1919, it has expended on capital account the sum of \$73,784.38, against which

no bonds have been issued, and that under its mortgage it is permitted to issue, because of expenditure on capital account, bonds in the amount of \$59,027.50. At this time, however, applicant asks permission to sell bonds in the amount of \$41,500.00 only, leaving a balance of \$17,527.50 to be included in some future application.

In the supplemental petition originally filed, applicant asked permission to sell the \$41,500.00 of bonds at not less than 83 per cent of their face value plus accrued interest. At the hearing, however, applicant stated that it expected to realize 85 per cent for its bonds.

I herewith submit the following form of order:

SECOND SUPPLEMENTAL ORDER

Southern Counties Gas Company of California having applied to the Railroad Commission for authority to issue \$41,500.00 of bonds, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in the order, and that such 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 sell at not less than 85 per cent of their face value plus accrued interest \$41,500.00 face value of its first mortgage 5-1/2 per cent bonds, and use the proceeds obtained from the sale of said bonds, to pay in part its expenditures on capital account reported in Exhibit "A" attached to the supplemental

petition filed July 15, 1919 in the above entitled matter.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 6027, dated December 26, 1918, as amended, shall remain in full force and effect except as modified by this Second Supplemental Order.

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

Dated at San Francisco, California, this 30<sup>th</sup> day of July, 1919.

*Edwin O. Edgerton*

*H. D. Loveland*

*Frank R. Nelson*

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Commissioners.