

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of San Diego Consolidated Gas and Electric Company, a corporation, for an order authorizing the issuance of bonds of the face value of \$639,000.

Application No. 590.

WEBER, Commissioner.

SUPPLEMENTAL OPINION

This is a supplemental application for authority to issue bonds of the face value of \$102,000.

On June 30, 1913, this Commission rendered its opinion and order in the above entitled proceeding authorizing applicant to issue bonds of the face value of \$180,000 on expenditures incurred prior to April 30, 1913, and also bonds of the face value of \$459,000 on expenditures to be incurred during 1913 subsequent to April 30, 1913. In connection with the latter issue, applicant presented a statement to be found in revised schedule No. 4, of the moneys which it would expend for capital purposes during the remainder of the year 1913, totaling \$612,487.09. The Commission authorized the issue of bonds of the face value of \$459,000 as against this expenditure on condition that applicant should, from time to time, present verified statements showing the amounts of money which it had expended subsequent to April 30, 1913 for capital expenditures, together with the price at which it expected to be able to sell its bonds, whereupon the Commission would, from time to time, make supplemental orders authorizing the issue of bonds of a face value not to exceed 75 per cent of the moneys properly expended by applicant for such

capital expenditures, and designating the minimum price at which said bonds may be sold.

Applicant now files its supplemental application showing that, during the months of May and June, 1913, it incurred expenditures for capital purposes amounting to \$143,377.73, and as against this expenditure applicant desires authority to issue bonds in the amount of \$102,000.

A summary of the estimated expenditures from May 1, 1913, to December 31, 1913, of the actual expenditures during May and June, 1913, and of the balance to be expended, is attached to the application and reads as follows:

	Estimated Expenditures May 1, 1913 to Dec 31, 1913	Actual Expenditures May & June 1913	Balance to be Expended
1. Steam Power Plant Equipment	\$64,500.00	\$ 6,056.03	\$58,443.97
2. Electric Distribution System	164,344.39	49,586.54	114,757.85
3. Gas Plant Buildings and General Structures	10,989.00	4,910.34	6,078.66
4. Gas Generators	29,940.24	10,424.43	19,515.81
5. Purification Appliances	22,667.79	9,529.21	13,138.58
6. Water Gas Sets & Accessories	7,000.00		7,000.00
7. Accessory Equipment at Works	35,513.48	14,662.25	20,851.23
8. Gas Distribution	170,235.40	17,601.83	152,633.57
9. Gas Service	58,035.60	9,046.34	48,989.26
10. Gas Meters	21,821.61	14,309.95	7,511.66
11. Miscellaneous Distribution Equipment	10,273.26	530.08	9,743.18
12. General Structures	828.83	278.16	550.67
13. General Shop Equipment	4,917.12	888.51	4,028.61
14. Contingencies	<u>11,420.37</u>	<u>5,554.06</u>	<u>5,866.31</u>
	<u>\$612,487.09</u>	<u>\$143,377.73</u>	<u>\$469,109.36</u>

I find that the purposes for which expenditures were in-

curring during the months of May and June, 1913, come within the general purposes specified in applicant's said revised schedule No. 4, and within the purposes for which the Commission stated that it would, from time to time, make supplemental orders authorizing the issue of bonds.

Applicant alleges in its supplemental application that it expects to be able to sell its bonds for not less than 85 per cent of their face value.

I recommend that the application be granted and submit the following form of supplemental order:

SUPPLEMENTAL ORDER

San Diego Consolidated Gas and Electric Company having applied to the Railroad Commission for the consent of the Commission to the issuance by said company of bonds of the face value of \$102,000, said bonds to be included within the general authorization of \$639,000 heretofore given by this Commission's order in the above entitled proceeding dated June 30, 1913, said bonds to be payable on the first day of March, 1939, and to bear interest at the rate of five per cent per annum payable semi-annually, and secured by a trust deed or mortgage upon all of the property of the company; and the Commission finding that the moneys to be procured by the issue of said bonds are necessary to and reasonably required by said company for the discharge and refunding of obligations heretofore incurred for proper capital expenditures, and that said purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that the Railroad Commission of the State of California hereby authorizes the issue by San Diego Consolidated Gas and Electric Company of \$102,000 face value of bonds of said company bearing numbers 3810 to 3911, inclusive, maturing the first day of March, 1939, redeemable on March 1, 1914, or on any interest date thereafter, at par, accrued interest and a premium of five per cent on the principal thereof, and to bear

interest at five per cent per annum, payable semi-annually, under and in pursuance of the terms of the trust deed or mortgage heretofore and on the 1st day of March, 1909, made and executed by said San Diego Consolidated Gas and Electric Company to Harris Trust and Savings Bank and Los Angeles Trust Company, now known as Los Angeles Trust and Savings Bank, as trustees, upon the conditions following and not otherwise, to-wit:

1. San Diego Consolidated Gas and Electric Company shall sell said bonds hereby authorized so as to net said company not less than eighty-five per cent of the par value of the principal thereof, besides interest accrued thereon.

2. San Diego Consolidated Gas and Electric Company shall apply the proceeds from the sale of said bonds only for the purpose of discharging and refunding indebtedness incurred for capital expenditures made during the months of May and June, 1913, as those expenditures are set out in the opinion which precedes this order.

3. San Diego Consolidated Gas and Electric Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the bonds hereby authorized to be issued, and on or before the 25th day of each month the Company shall make a verified report to the Commission stating the sale or sales of said bonds during the previous month, the terms and conditions of 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. San Diego Consolidated Gas and Electric Company shall file with this Commission certified copies of the statements or certificates to be filed by it with the trustees under its said trust deed, on which statements or certificates it expects to receive from the trustees the bonds hereby authorized to be issued.

5. The authority hereby given to issue bonds shall apply only to bonds issued by said company on or before the thirtieth

day of June, 1914.

The foregoing supplemental opinion and order are hereby approved and ordered filed as the supplemental opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 7th day of August, 1913.

H. D. Loveland
Max Thelen
W. C. Gordon
Edwin O. Edgerton

Commissioners.