

Decision No. 8617

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BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

In the matter of the Application of)
SOUTHERN COUNTIES GAS COMPANY OF)
CALIFORNIA for an order authorizing)
the issuance of ten year collateral)
trust gold bonds, and the execution)
of a trust deed and mortgage secur-)
ing same, and the pledging of first)
mortgage bonds as part of the securi-)
ty therefor.)

Application No. 6307

LOVELL, COMMISSIONER.

FIRST SUPPLEMENTAL ORDER

Whereas, the Railroad Commission by decision number 8399 dated November 30, 1920, authorized Southern Counties Gas Company of California to execute a trust deed securing the payment of an authorized issue of \$1,000,000 of 10 year collateral trust 8% gold bonds and issue and sell at 95% of their face value plus accrued interest, \$400,000.00 of said bonds, and, whereas, applicant in its first supplemental application filed in the above entitled matter asks permission to issue and sell \$100,000.00 additional bonds (Series B) at 95% of their face value plus accrued interest, and secure the payment of said \$100,000.00 of 8% bonds by the deposit of \$151,400.00 of 5 1/2% first mortgage bond, and

Whereas, applicant reports that up to December 31, 1920, it has expended \$195,789.87 for permanent extensions, betterments and improvements to its existing plant and properties, and whereas, the Engineering Department of the Railroad Commission has examined and found reasonable said expendi-

tures and 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 of bonds is reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income.

Now, therefore, it is hereby ordered that Southern Counties Gas Company of California be, and it is hereby, authorized to issue and sell for cash, on or before June 30, 1921, at not less than 95% of their face value plus accrued interest, \$100,000 of Series B 10 year collateral trust 8% gold bonds, and use the proceeds to reimburse its treasury and after such reimbursement pay current liabilities reported in the first supplemental application in application number 6306.

The authority herein granted is subject to further conditions, as follows:

1. The payment of the \$100,000 of Series B 10 year collateral trust 8% gold bonds may be secured by the deposit of \$131,400.00 of applicants 5½% first mortgage bonds. As the 10 year collateral trust 8% gold bonds are being redeemed, a proper proportion of applicant's first mortgage bonds deposited as collateral, shall be returned to applicant and thereafter not disposed of in any manner whatsoever except as authorized by the Commission.

2. SOUTHERN COUNTIES GAS CO. OF CALIFORNIA shall keep such record of the issue and sale of the bonds herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month, a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a

