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ORIGINAL

Decision No. 87.36

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
LOS ANGELES GAS AND ELECTRIC CORPORA -)
TION for an order authorizing the is-)
suanee and sale of bonds in the amount) APPLICATION NUMBER 6616
of four hundred thousand dollars, par }
value. }

Paul Overton, for Applicant.

LOVELAND, COMMISSIONER.

O P I N I O N.

LOS ANGELES GAS AND ELECTRIC CORPORATION asks permission to issue and sell at not less than 90% of their face value and accrued interest \$400,000. of its first and refunding mortgage 5% gold bonds due September 1, 1939.

In Exhibit "C" filed in this proceeding, applicant reports that from May 26, 1920 to September 30, 1920 it expended for permanent plant extensions, additions and betterments and improvements the sum of \$630,707.31. To pay for such extensions, additions, betterments and improvements applicant drew upon its reserve for accrued depreciation to the extent of \$97,373.98 and paid the balance, \$533,333.33 from accumulated surplus earnings. Under the provisions of its first and refunding mortgage, applicant may issue bonds to an amount or amounts in par value not exceeding in the aggregate 75 per cent. of the actual and reasonable cash expenditures

made for permanent extensions and additions of and to its plants, properties and equipment. For the purpose of reimbursing in part its treasury because of surplus earnings invested in permanent plant extensions, additions, betterments and improvements, applicant asks permission to issue \$400,000. of its first and refunding bonds.

I herewith submit the following form of order:

O R D E R.

LOS ANGELES GAS AND ELECTRIC CORPORATION, having applied to the Railroad Commission for permission to issue \$400,000. of bonds, a public hearing having been held, and the Commission being of the opinion that the moneys, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in this order, and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that Los Angeles Gas and Electric Corporation be, and it is hereby, granted authority to issue and sell at not less than 90% of their face value plus accrued interest, \$400,000. of its first and refunding mortgage 5% gold bonds due September 1, 1939, for the purpose of reimbursing in part its treasury because of surplus earnings expended to pay for permanent plant extensions, additions, betterments and improvements, provided:

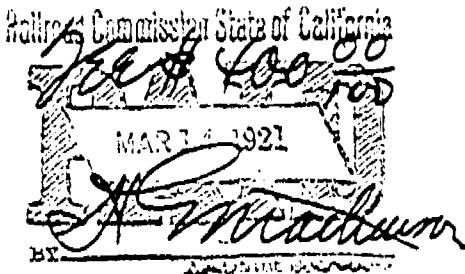
(1) That, the authority herein granted will not become effective until applicant has paid the fee prescribed in the public utilities act, and

(2) That, applicant will 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 twenty-fifth day of each month a verified report

as required by the Commission's General Order No. 24,
which order, in so far as applicable, is made a part
of this order.

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

Dated at San Francisco, California, this 14th day of March,
1921.



Frank C. Parker
A. D. Loveland

Erving Martin
Charles H. Rowlee

Commissioners.