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Decision No. 8805

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)	
of SOUTHERN COUNTIES GAS COMPANY)	
OF CALIFORNIA for authority to is-)	Application Number 6306.
sue additional bonds in the amount)	
of \$929,389.26 and to sell or pledge)	
the same.)	

Leroy M. Edwards, for Applicant.

LOVELAND, COMMISSIONER.

SECOND SUPPLEMENTAL ORDER.

WHEREAS, the Railroad Commission by Decision Number 8598 dated November 30, 1920, as amended, authorized Southern Counties Gas Company of California to issue \$929,389.26 of its first mortgage 5½% bonds due May 1, 1936, subject, among others, to the condition that \$501,713.60 of said bonds be not deposited as collateral or sold or otherwise disposed of, except as authorized by the Railroad Commission, and

WHEREAS, the Railroad Commission in its First Supplemental Order, Decision Number 8616, in the above entitled matter, authorized Southern Counties Gas Company of California to deposit \$121,000.00 of said \$501,713.60 of bonds to secure in part the payment of \$100,000.00 of Series "B" collateral trust 8% gold bonds, and

WHEREAS, applicant in its second supplemental application in the above entitled matter, reports that up to February 28, 1921 it has expended \$196,790.97 for permanent ex-

tensions, betterments and improvements to its existing plant and properties which have not been paid for by the issue of bonds, and

WHEREAS, applicant because of such expenditures which have been examined and found reasonable by the Engineering Department of the Railroad Commission, asks permission to deposit \$131,300.00 additional of said \$501,713.60 to secure the payment of \$100,000.00 of Series "C" collateral trust bonds, 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 such issue, 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 WHEREFORE IT IS HEREBY ORDERED, that the order in Decision Number 8398 dated November 30, 1920, as amended, be, and it is hereby, modified so as to permit Southern Counties Gas Company of California to use \$131,300.00 of the \$501,713.60 of first mortgage bonds referred to in Condition "2" of said Decision Number 8398 to secure the payment of \$100,000.00 of Series "C" 10-year collateral trust 8% gold bonds, provided that all moneys obtained through the deposit of the \$131,300.00 of first mortgage bonds be used to reimburse applicant's treasury, and after such reimbursement, to pay current indebtedness reported in the second supplemental petition in Application Number 6306.

IT IS HEREBY FURTHER ORDERED, that the said \$131,300.00 of bonds shall be deposited at the ratio of \$131.25 face value of first mortgage bonds for every \$100.00 face value of collateral trust bonds issued, and that as the collateral trust

bonds secured by first mortgage bonds are paid, a proper proportion of the first mortgage bonds deposited as collateral shall be returned to applicant and thereafter not disposed of by applicant in any manner whatsoever, except as authorized by the Railroad Commission.

IT IS FURTHER ORDERED that the order in Decision Number 8398 dated November 30, 1920, as amended, shall remain in full force and effect, except as modified by this Second Supplemental Order.

Dated at San Francisco, California, this 30th day of March, 1921.

Frank D. Smith
H. D. Loveland
James Martin
Charles D. Rowan

Commissioners.