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ORIGINAL

Decision No. 9048

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

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

Application  
Number  
8306

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LeRoy M. Edwards for applicant.

BRUNDIGE, Commissioner.

THIRD SUPPLEMENTAL ORDER

WHEREAS, the Railroad Commission by Decision Number 8398,  
dated November 30, 1920, as amended, authorized SOUTHERN COUNTIES  
GAS COMPANY OF CALIFORNIA to issue \$929,389.26 of its first mortgage  
5-1/2 per cent bonds due May 1, 1936, subject, among others, to the  
condition that \$501,713.60 of bonds be not deposited as collateral,  
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, dated February 11, 1921, and in its  
Second Supplemental Order, Decision Number 8805, dated March 30, 1921,  
in the above entitled matter, authorized applicant to deposit \$252,300.  
of said \$501,713.60 of bonds to secure, in part, the payment of  
\$200,000.00 of collateral trust 8 per cent gold bonds due December  
1, 1930; and

WHEREAS, applicant in its third supplemental application in the above entitled matter, reports that up to April 30, 1921, it has expended \$258,402.22 for permanent extensions, 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 \$196,900.00 additional of said \$501,713.60 to secure the payment of \$150,000.00 of Series "D" collateral trust bonds; a public hearing having been held; and it appearing to the Railroad Commission that the money, property or labor to be procured or paid for by such deposit 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 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 \$196,900.00 of the \$501,713.60 of first mortgage bonds referred to in Condition "2" of said Decision Number 8398, to secure the payment of \$150,000.00 of Series "D" collateral trust 8 per cent gold bonds due December 1, 1930; provided --

- 1.--THAT all moneys obtained through the deposit of the \$196,900.00 of first mortgage bonds be used to reimburse applicant's treasury, and after such reimbursement, to pay current indebtedness reported in its third supplemental petition in this proceeding;
- 2.--THAT the said \$196,900.00 of bonds 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 HEREBY 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 Third Supplemental Order.

The foregoing Order is hereby approved and order filed as the Third Supplemental Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 3rd  
day of June, 1921.

*700-100*  
*7/20*

H. J. Rowland  
H. Rowland

J. H. Benedict

Commissioners.