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ORIGINAL

Decision No. 9049.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

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

Application
Number
6307

LeRoy M. Edwards for applicant.

BRUNDIGE, Commissioner.

THIRD SUPPLEMENTAL ORDER.

WHEREAS, the Railroad Commission by Decision No. 8599, dated November 30, 1920, as amended, authorized SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA to execute a trust deed securing the payment of an authorized issue of \$1,000,000.00 of 10-year collateral trust 8 per cent gold bonds due December 1, 1930, and to issue and sell at 95 per cent of face value plus accrued interest, \$400,000.00 of such bonds; and

WHEREAS, the Railroad Commission by its first and second supplemental orders in this proceeding, -Decisions No. 8617, dated February 11, 1921, and No. 8806, dated March 30, 1921, respectively, - authorized applicant to issue and sell at 95 per cent of face value, plus accrued interest, an additional \$200,000.00 of collateral trust bonds secured by the deposit of first mortgage bonds and to use the proceeds to reimburse the treasury on account of capital expenditures

made prior to February 28, 1921; and

WHEREAS, applicant in its third supplemental application, filed in the above entitled matter, asks permission to issue and sell at 95 per cent of face value, plus accrued interest, an additional amount of \$150,000.00 of Series "D" collateral trust bonds and to secure their payment by the deposit of \$196,900.00 of first mortgage bonds; and

WHEREAS, applicant 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, the engineering department of the Railroad Commission has examined and found reasonable such expenditures; 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 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 December 31, 1921, at not less than 95 per cent of face value, plus accrued interest, \$150,000.00 of Series "D" 10-year collateral trust 8 per cent gold bonds, and to use the proceeds to reimburse its treasury, and after such reimbursement, to pay current liabilities reported in the third supplemental application in Application No. 6306.

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

- 1.-- The payment of the \$150,000.00 of Series "D" 10-year collateral trust bonds herein authorized may be secured by the deposit of \$196,900.00 of applicant's

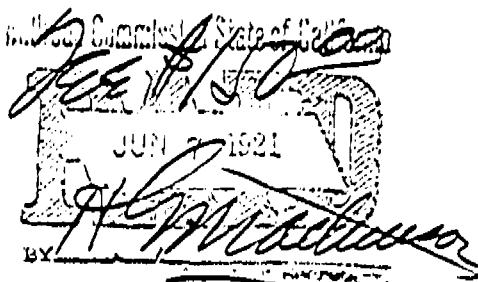
5-1/2 per cent first mortgage bonds. As the 10-year collateral trust bonds are redeemed, a proper proportion of applicant's first mortgage bonds deposited as collateral shall be returned to applicant and thereafter not disposed of in any manner whatsoever, except as authorized by the Railroad Commission.

2.--The authority herein granted to issue bonds will not become effective until applicant has paid the fee prescribed by the Public Utilities Act.

3.--Southern Counties Gas Company 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 part of this order.

The foregoing Order is hereby approved and ordered 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.



H. B. Benedict
H. J. Brown
H. J. Benedict

Commissioners