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Decision No. 9099.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of
LOS ANGELES GAS AND ELECTRIC CORPORATION)
for an order authorizing the issuance)
and sale of its Series "B" bonds in the)
amount of \$3,500,000.00.)

Application No. 6894.

Paul Overton for applicant.

LOVELAND, Commissioner.

OPINION.

LOS ANGELES GAS AND ELECTRIC CORPORATION asks permission to issue and sell at 93 and accrued interest, \$3,500,000.00 of Series "B" 7 per cent general and refunding mortgage gold bonds, and use the proceeds to reimburse its treasury on account of moneys heretofore expended on capital account and for the purpose of paying for plant extensions, additions and betterments to be installed during 1921.

Applicant as of June 1, 1921, reports (Exhibit "A") \$11,060,700 of stock, consisting of \$10,000,000 of common and \$1,060,700 of 6 per cent preferred, outstanding. Its funded debt outstanding is reported at \$13,869,000, which includes \$1,500,000 of Los Angeles Gas and Electric Corporation 5% bonds pledged to secure the payment of \$1,000,000 of general mortgage and collateral 7 per cent bonds dated April 1, 1920, and \$400,000 of bonds of the same issue certified by the trustee but not yet sold. The authority to sell the \$400,000 of bonds was granted by the Commission in Decision No. 8736.

The Railroad Commission, by Decision No. 8904 dated April 29, 1921, authorized applicant to execute a trust deed securing an authorized issue of \$75,000,000 of general and refunding mortgage gold bonds. The Commission has heretofore authorized applicant to issue and sell \$2,500,000 of said bonds.

Applicant reports in Exhibit "D" proposed expenditures during 1921 for additions and extensions to plants, properties and equipment in the amount of \$7,039,320.00. This amount is summarized as follows:-

Gas Work,	\$3,444,780.00
Electric Works,	587,250.00
Gas Distributing System,	1,806,875.00
Electric Distributing System,	415,575.00
Completion of additions and extensions authorized for 1920,	400,000.00
Miscellaneous,	<u>414,840.00</u>
Total,	\$7,039,320.00

Applicant reports that from January 1, 1921 to May 31, 1921 (May expenses estimated), it has expended for permanent extensions and additions \$2,886,152.94, and that against \$1,856,362.92 of said expenditures, no bonds have been issued. It is to reimburse partially its treasury on account of these expenditures and to pay the cost of constructing permanent extensions and additions reported in Exhibit "D", that applicant asks permission to issue and sell \$3,500,000 of its Series "B" general and refunding mortgage gold bonds. Even though applicant asks permission to reimburse its treasury, the testimony shows that all the proceeds from the sale of the bonds will be invested in permanent extensions and additions reported in Exhibit "D".

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 and sell \$3,500,000 of Series "B" 7 per cent general and refunding mortgage gold bonds due June 1, 1931, 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 for the purposes specified in this order, and that the expenditures for such 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, authorized to issue and sell for cash at not less than 93 per cent of their face value and accrued interest, \$3,500,000.00 of Series "B" 7% general and refunding mortgage gold bonds, due June 1, 1931.

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

- 1.--The proceeds obtained from the sale of \$1,392,272.19 of bonds herein authorized to be issued shall be used by applicant to reimburse its treasury on account of moneys expended for permanent extensions and additions up to May 31, 1921. All moneys used to reimburse applicant's treasury, as well as the proceeds from the remainder of the bonds herein authorized to be issued, shall be used by applicant to pay in part the cost of permanent extensions and additions reported in "Exhibit D" filed in this proceeding.
- 2.--Los Angeles Gas and Electric Corporation 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.
- 3.--The authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act.

4.2- The authority herein granted will apply only to such bonds as may issued, sold and delivered on or before November 15, 1921.

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 13th day of June, 1921.

California Commission State of California
Fee \$2250.00
JUN 15 1921
R. M. ...

H. B. ...

H. ...

H. B. ...
Commissioners.