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Decision No. 9271

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SOUTHERN CALIFORNIA GAS COMPANY for ) Application Number 6981.  
an order authorizing the issuance of )  
certain promissory notes. )

A. E. Peat, for Applicant.

ORIGINAL

LOVELAND, COMMISSIONER.

O P I N I O N

SOUTHERN CALIFORNIA GAS COMPANY in this application asks permission to issue \$80,000. of promissory notes bearing interest at not exceeding 7% per annum.

The petition shows that applicant on June 28, 1921 entered into a contract with Mosbacher Leasehold Company for the purchase of a 7-story concrete building located at 4946 South Broadway, Los Angeles. The contract, a copy of which is attached to the petition and marked "Exhibit B" shows that applicant has agreed to pay \$100,000. for the building, of which \$20,000. will be paid in cash and \$80,000. in promissory notes bearing interest at 7% per annum and maturing as follows:-

One year after date	\$15,000.
Two years after date	15,000.
Three years after date	15,000.
Four years after date	15,000.
Five years after date	10,000.
Six years after date	10,000.

A. E. Peat, applicant's comptroller, testified that he believes \$100,000. to be a fair and reasonable price to be paid for this property. His belief is based on appraisals made by independent real estate buyers, who have estimated this amount to be a reasonable value.

Applicant proposes to use the building for an office building. The testimony of A. E. Peat shows that material saving should be effected as a result of its use for this purpose.

I believe the application should be granted and herewith submit the following form of order;-

  O  R  D  E  R  

SOUTHERN CALIFORNIA GAS COMPANY, having applied to the Railroad Commission for permission to issue notes, 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 for the purpose specified herein, and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expense or to income;

IT IS HEREBY ORDERED that Southern California Gas Company be, and it is hereby, authorized to issue at face value on or before December 31, 1921, \$80,000. of its promissory notes for the purpose of paying in part the purchase price of the building to which reference is made in this application.

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

1. The notes herein authorized to be issued shall bear interest at not exceeding 7% per annum, and shall mature at the times and in the amounts specified in the opinion which preceded this order.

2. The authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act.

3. Southern California Gas Company shall keep such record of the issue and disposition of the notes herein authorized 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 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 27<sup>th</sup> day of July, 1921.

State of California

Fee \$80.00  
JUL 29 1921  
BY H. M. [Signature]

[Signature]

[Signature]

[Signature]

Commissioners.