

Decision No. 9386.

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA

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

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Walter S. McFarland for applicant.

BRUNDIGE, Commissioner.

FOURTH SUPPLEMENTAL ORDER

WHEREAS, the Railroad Commission by Decision No. 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 has heretofore by supplemental orders in this proceeding authorized applicant to deposit as collateral \$449,200.00 of the \$501,713.60 of bonds, leaving \$52,513.60 of bonds which the company has not been authorized to use as collateral or otherwise disposed of; and

WHEREAS, applicant in its fourth supplemental application in the above entitled matter reports that during May and June, 1921,

it has expended \$262,255.93 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 asks permission to issue and deposit \$196,900.00 of its first mortgage 5-1/2 per cent. bonds to secure the payment of \$150,000.00 of Series "E" collateral trust bonds; a public hearing having been held and it appearing to the Railroad Commission that applicant should be permitted to use the \$52,513.60 of bonds, the issue of which was authorized by Decision No. 8398, dated November 30, 1920, as collateral and should be further permitted to issue and deposit as collateral additional first mortgage 5-1/2 per cent. bonds in the amount of \$144,386.40; and that the money, property or labor to be procured or paid for by the issue and deposit of such bonds 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 No. 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 \$52,513.60 of the \$501,713.60 of first mortgage bonds referred to in Condition "2" of said decision No. 8398 as collateral to secure in part the payment of \$150,000.00 of Series "E" collateral trust 8 per cent. gold bonds due December 1, 1930.

IT IS HEREBY FURTHER ORDERED, that SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA be, and it is hereby, authorized to issue and deposit as collateral as part security for the payment of \$150,000.00 of Series "E" collateral trust 8 per cent. gold bonds due December 1, 1930, \$144,386.40 of its first mortgage 5-1/2 per cent bonds.

The authority herein granted is subject to the following conditions:-

- 1.--All moneys obtained through the deposit of the \$196,900.00 of first mortgage bonds herein permitted shall be used to reimburse applicant's treasury and after such reimbursement, to pay current indebtedness reported in the Fourth Supplemental Petition filed in this proceeding.
- 2.--The \$196,900.00 of bonds herein authorized to be deposited 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. 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 No. 8398, dated November 30, 1920, as amended, shall remain in full force and effect, except as modified by this Fourth Supplemental Order.

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

DATED at San Francisco, California, this 19<sup>th</sup> day of August, 1921.

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H. D. ...  
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Commissioners.  
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