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Decision No. 9387.

ORIGINAL

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 an order authorizing )  
the issuance of 10-year collateral )  
trust gold bonds, the execution of )  
the trust deed and mortgage securing )  
the same and the pledging of first )  
mortgage bonds as part of the secu- )  
rity thereof. )

Application  
Number  
6307

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Walter S. McFarland for applicant.

BRUNDIGE, Commissioner.

FOURTH SUPPLEMENTAL ORDER

WHEREAS, the Railroad Commission by Decision No. 8399, 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 their face value plus accrued interest \$400,000.00 of such bonds; and

WHEREAS, the Railroad Commission by supplemental orders in this proceeding authorized applicant to issue additional collateral trust bonds in the sum of \$350,000.00; and

WHEREAS, applicant in its fourth supplemental petition filed in this proceeding asks permission to issue and sell at 95 per cent. of their face value and accrued interest additional collateral trust bonds in the sum of \$150,000.00, and to secure their payment by the

deposit of \$196,900.00 of its first mortgage bonds; and

WHEREAS, applicant reports that up to and including June 30, 1921, it has expended \$274,533.15 for permanent extensions, betterments and improvements to its existing plant and property which have not been paid for by the issue of bonds; and

WHEREAS, the engineering department of the Railroad Commission has examined and found such expenditures reasonable; 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 their face value plus accrued interest \$150,000.00 of Series "E" 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 fourth supplemental petition filed 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 "E" 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 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.

Fee \$150.00

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AUG 24 1921

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Commissioners.