

Decision No. 970

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

Decision No. 970

ORIGINAL

In the Matter of the Application  
of SAN DIEGO CONSOLIDATED GAS & ELECTRIC  
COMPANY, a corporation, for an order  
authorizing the issuance of bonds of the  
face value of \$659,000.

Application No. 590.

THELEN, Commissioner.

THIRD SUPPLEMENTAL OPINION.

This is a supplemental application for authority to issue bonds of the face value of \$25,000.

On June 30, 1913, this Commission rendered its opinion and order in the above entitled proceeding, authorizing applicant to issue certain bonds, including bonds of the face value of \$459,000 on expenditures to be incurred during the year 1913, subsequent to April 30, 1913. On August 7, 1913, this Commission rendered its supplemental opinion and order, authorizing the issue of \$102,000, face value, of said bonds on capital expenditures made during May and June, 1913. On August 22, 1913, this Commission rendered its second supplemental opinion and order, authorizing the issuance of \$35,000, face value, of said bonds, on capital expenditures incurred during the month of July, 1913.

The present supplemental application is filed for the purpose of securing this Commission's authorization for the issue of an additional \$25,000, face value, of said bonds, for capital expenditures incurred during the month of August, 1913.

A summary of the estimated expenditures during the year 1913 subsequent to July 31, 1913, of the actual expenditures incurred during August, 1913 and of the balance to be expended in 1913 is attached to the application and reads as follows:

S U M M A R Y.

	Balance to be expended as of July 31, 1913	Expenditures in August 1913	Balance to be Expended
1. Steam Power Plant Equipment	57,669.54	5,008.21	52,661.33
2. Electric Distribution System	90,712.86	15,303.57	75,409.29
3. Gas Plant Buildings & Gen'l Structures	3,263.22	976.20	2,287.02
4. Gas Generators.	17,175.07	2,669.60	14,505.47
5. Purification Appliances	12,439.30	179.30	12,260.00
6. Water Gas Sets & Accessories	7,000.00		7,000.00
7. Accessory Equipment at Works	18,556.82	2,230.29	16,326.53
8. Gas Distribution	150,170.55	116.16	150,054.39
9. Gas Services	44,543.26	4,071.63	40,473.63
10. Gas Meters	4,627.67	1,919.19	2,708.48
11. Miscellaneous Distribution Equipment	9,629.45	78.03	9,551.42
12. General Structures	537.17	.91	536.26
13. General Shop Equipment	3,707.62	130.64	3,576.98
14. Contingencies	<u>3,694.46</u>	<u>649.20</u>	<u>3,045.26</u>
	\$423,728.99	\$35,332.93	\$390,396.06

Under the provisions of applicant's trust deed or mortgage, it is entitled to receive from the trustee, bonds of the face value of 75% of proper capital expenditures. As far as this Commission is concerned, authority should be given to issue bonds of the face value of \$25,000 on the expenditures incurred during the month of August, 1913.

I find that the purposes for which expenditures were incurred during August, 1913, come within the general purposes specified in this Commission's opinion and order dated June 19, 1913. Applicant alleges that it expects to be able to sell its bonds for not less than 85% of their face value.

I recommend that this supplemental application be granted and submit herewith the following form of third supplemental order:

THIRD SUPPLEMENTAL ORDER.

SAN DIEGO CONSOLIDATED GAS AND ELECTRIC COMPANY having applied to the Railroad Commission for the consent of the Commission to the issuance by said Company of bonds of the face value of twenty-five thousand dollars (\$25,000), said bonds to be included within the general authorization heretofore given by this Commission's order in the above entitled proceeding, dated June 30, 1913, said bonds to be payable on the first day of March, 1939, and to bear interest at the rate of five (5) per cent per annum, payable semi-annually, and secured by a trust deed or mortgage upon all the property of the Company; and the Commission finding that the moneys to be procured by the issue of said bonds are necessary to and reasonably required by said Company for the discharge and refunding of obligations heretofore incurred for proper capital expenditures, and that said purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that the Railroad Commission of the State of California hereby authorizes the issue by San Diego Consolidated Gas and Electric Company of twenty-five thousand dollars (\$25,000),

face value, of bonds of said Company, bearing numbers 3944 to 3968, inclusive, maturing the first day of March, 1939, redeemable on March 1, 1914, or on any interest date thereafter, at par, accrued interest and a premium of five (5) per cent on the principal thereof, and to bear interest at five (5) per cent per annum, payable semi-annually, under and in pursuance of the terms of the deed of trust or mortgage heretofore and on the first day of March, 1909, made and executed by said San Diego Consolidated Gas and Electric Company to Harris Trust and Savings Bank and Los Angeles Trust Company, now known as the Los Angeles Trust and Savings Bank, as trustees, upon the conditions following and not otherwise, to-wit:

1. San Diego Consolidated Gas and Electric Company shall sell said bonds hereby authorized so as to net said company not less than eighty-five (85) per cent of the par value of the principal thereof, besides interest accrued thereon.

2. San Diego Consolidated Gas and Electric Company shall apply the proceeds from the sale of said bonds only for the purpose of discharging and refunding indebtedness incurred for capital expenditures made during the month of August, 1913, as those expenditures are set out in the opinion which precedes this order.

3. San Diego Consolidated Gas and Electric Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the bonds hereby authorized to be issued, and on or before the 25th day of each month the Company shall make a verified report to the Commission stating the sale or sales of said bonds during the previous month, the terms and conditions of sale, the moneys realized therefrom and the use and application of such moneys, all in accordance with this Commission's General Order No. 24, which order in so far as applicable is made a part of this order.

4. San Diego Consolidated Gas and Electric Company shall file with this Commission certified copies of the statements or certificates to be filed by it with the trustees under its said trust

deed, on which statements or certificates it expects to receive from the trustees the bonds hereby authorized to be issued.

5. The authority hereby given to issue bonds shall apply only to bonds issued by said Company on or before the 31st day of October, 1914.

The foregoing third supplemental opinion and order are hereby approved and order filed as the third supplemental opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 25th day of September, 1913.

H. D. Loveland

Alfred Gordon

Max Thelen

Edwin O. Edgerton

Commissioners.