

**ORIGINAL**

Decision No. 53771

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
PACIFIC LIGHTING GAS SUPPLY COMPANY, :  
a corporation, for an order author- )  
izing it to issue and sell 325,867 :  
shares of its Common Stock at the )  
par value of \$25 a share, aggregating: )  
\$8,146,675, under the provisions of )  
Section 818 of the Public Utilities :  
Code of the State of California. )  
-----: )

Application No. 38356

O P I N I O N

This is an application by Pacific Lighting Gas Supply Company for authorization to issue and sell, at par, 325,867 shares of its common stock of the aggregate value of \$8,146,675 for the purpose of paying outstanding indebtedness and of financing the cost of additions and improvements.

Applicant is a California corporation which has been engaged, since January 1, 1953, in purchasing, compressing, transporting, storing, exchanging, and selling natural gas to Southern California Gas Company and Southern Counties Gas Company of California, affiliated corporations, for resale by them. It presently has outstanding \$21,853,325 par value of common stock, all of which is held by Pacific Lighting Corporation, and it proposes to sell the additional shares of stock, which are covered by this application, to Pacific Lighting Corporation, pursuant to the pre-emptive rights accorded the shareholder by the applicant's articles of incorporation.

A financial statement, filed as Exhibit "B", shows applicant's net investment in gas plant and other physical properties at \$30,013,124 after deducting the related reserves, and it indicates

that the company has financed itself primarily with monies advanced by the holding company and represented by accounts payable and common stock equity. As of July 31, 1956, applicant owed Pacific Lighting Corporation \$6,571,120.51 and it estimates that this debt will be approximately \$7,512,000 on August 31, 1956 and approximately \$8,600,000 on September 30, 1956. It asserts that the indebtedness has been and will be used for the acquisition of property or for the construction, completion, extension or improvement of its facilities. Exhibit "C" shows that applicant has estimated additions and betterments for the year 1956 in the amount of \$8,883,000, the major portion of this amount being required for its Montebello storage plant project.

From a review of the verified application, it appears that applicant should be authorized to issue additional shares of common stock to liquidate its indebtedness to Pacific Lighting Corporation and to provide a portion of its 1956 capital requirements. Accordingly, we will enter an order approving the application.

The approval herein given is for the issue of securities only and is not indicative of amounts to be included in a rate base for the purpose of determining just and reasonable rates.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Pacific Lighting Gas Supply Company may issue not exceeding 325,867 shares of common stock of the par value of \$25 each and offer and sell such shares, at par, to Pacific Lighting Corporation for the purposes set forth in this application.

2. Pacific Lighting Gas Supply Company shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 18th day of SEPTEMBER, 1956.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
Commissioners