

ORIGINAL

Decision No. 57251

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 authoriz-  
ing it to issue and sell 400,000  
shares of its Common Stock at the  
par value of \$25 a share, aggregating  
\$10,000,000, under the provisions of  
Section 818 of the Public Utilities  
Code of the State of California

Application No. 40327

OPINION AND ORDER

Pacific Lighting Gas Supply Company has filed this applica-  
tion for authorization to issue and sell, at par, 400,000 shares of  
its common stock of the aggregate value of \$10,000,000 for the  
purpose of paying outstanding indebtedness.

Applicant is a California corporation which has been  
engaged, since January 1, 1953, in purchasing, compressing, trans-  
porting, 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 \$40,000,000 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 at \$53,612,433, after deducting the related reserves, and it indicates that the company has financed itself primarily with moneys advanced by the holding company and represented by accounts payable and common stock equity. As of July 31, 1958, applicant owed Pacific Lighting Corporation \$10,074,094 and it estimates that this debt will be approximately \$10,900,000 on August 31, 1958. Applicant 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 plants and properties, the most recent principal facilities being the Montebello Gas Storage Project and an 83-mile, 34-inch transmission line extending to the City of Newhall.

The Commission has considered this matter and is 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 purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:




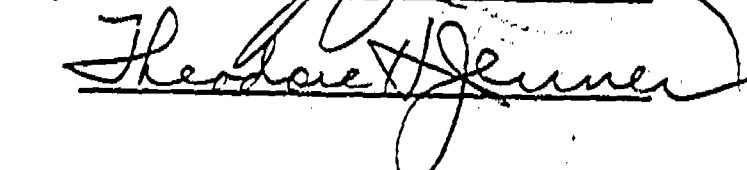
1. Pacific Lighting Gas Supply Company may issue not exceeding 400,000 shares of common stock of the par value of \$25 each and offer and sell such shares, at par, to Pacific Lighting Corporation for the purpose set forth in this application.

2. The authorization herein granted is for the issue of stock and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

3. 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.

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

Dated at San Francisco, California, this 26<sup>th</sup> day of August, 1958.

  
\_\_\_\_\_  
President  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
Commissioners