

ORIGINAL

Decision No. 71424

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of)
 SOUTHWEST GAS CORPORATION)
 for Authority to Carry Out the)
 Terms and Conditions of a Loan)
 Agreement and to Issue Evidences)
 of Indebtedness Thereunder.)

Application No. 46671
 Petition for Modification
 Filed September 29, 1966

FIRST SUPPLEMENTAL OPINION

In its Petition for Modification filed in this proceeding, Southwest Gas Corporation seeks authority from the Commission to issue and reissue promissory notes repayable on or before January 31, 1967, in an aggregate principal amount of \$8,000,000. Said amount includes \$5,000,000 consisting of an extension of borrowings incurred under the Bank of America National Trust and Savings Association Loan Agreement referred to in Decision No. 67411, dated June 23, 1964, in the above-entitled matter.

The company reports that, in connection with its construction programs, it has outstanding bank borrowings amounting to \$12,000,000, of which it anticipates \$8,000,000 will have been outstanding for more than one year at the time it obtains further permanent financing. The utility desires authority to continue said bank borrowings through January 31, 1967, which borrowings will be represented by short-term notes bearing interest at the bank's prime commercial rate.

The Commission has considered the Petition for Modification and finds that: (1) the proposed notes are for proper purposes; (2) the money, property or labor to be procured or paid for by the issue and reissue of the notes herein authorized is reasonably required for the purposes specified herein; and (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the petition should be granted. The action taken herein shall not be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates, nor as indicative of the action the Commission would take on an application, or applications, for permanent financing.

FIRST SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Ordering Paragraph No. 1 of Decision No. 67411, dated June 23, 1964, is hereby modified so as to authorize Southwest Gas Corporation to issue and reissue promissory notes in an aggregate principal amount of up to \$5,000,000 pursuant to the Loan Agreement referred to in said decision. The issue, reissue and due dates may be extended to not later than January 31, 1967.

2. In addition to the notes authorized by Ordering Paragraph No. 1 hereof, Southwest Gas Corporation may issue and reissue promissory notes in an aggregate principal amount of not to exceed \$3,000,000 repayable not later than January 31, 1967, and bearing interest at not to exceed the prime commercial rate of the Bank of America National Trust and Savings Association.

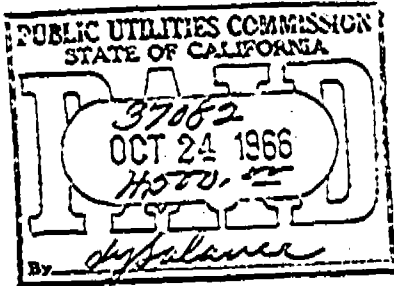
3. Southwest Gas Corporation shall issue and reissue the notes herein authorized for the purposes specified in the Petition for Modification.

4. Southwest Gas Corporation shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

5. Said Decision No. 67411 shall remain in full force and effect, except as modified by this First Supplemental Order.

6. This First Supplemental Order shall become effective when Southwest Gas Corporation has paid the additional fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$4,500.

Dated at San Francisco, California,
this 18th day of OCTOBER, 1966.



[Signature] President
George T. Grover
Fredrick D. Holdhoff
[Signature]
William L. Bennett Commissioners