

ORIGINAL

Decision No. 74015

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
)	
of SOUTHWEST GAS CORPORATION)	
)	Application No. 50135
for Authority to Carry Out the)	Filed April 3, 1968
Terms and Conditions of a Loan)	
Agreement and to Issue Evidences)	
of Indebtedness Thereunder.)	
)	

O P I N I O N

This is an application for an order of the Commission authorizing Southwest Gas Corporation to execute and deliver a document entitled First Amendment of Loan Agreement, and to issue promissory notes up to a maximum amount of \$11,000,000 at any one time outstanding.

By Decision No. 71928, dated January 24, 1967, in Application No. 49072, the Commission authorized applicant to carry out the terms of a Loan Agreement and, pursuant to said agreement, to issue and reissue promissory notes up to a maximum amount of \$8,500,000 at any one time outstanding. Said agreement provided that the Bank of America National Trust and Savings Association would lend and relend to applicant up to \$11,000,000 to and including September 30, 1968, the loans to be represented by 90-day notes renewable so as to mature in no event

later than September 30, 1968, and with interest at the bank's prime commercial rate from time to time in effect. The difference of \$2,500,000 between the maxima authorized by the Commission and the Loan Agreement is attributable to notes and renewals thereof which were to be issued and mature subsequent to September 30, 1967, but prior to October 1, 1968, and thus would not exceed one year and hence would not require Commission authorization.

Applicant proposes to execute and deliver a First Amendment of Loan Agreement which will (a) extend the term of the Loan Agreement by 15 months so as to establish an expiration date of December 31, 1969, (b) increase the rate of interest on each note by one-half of one percent, and from 6% to 7% per annum for payments after maturity, and (c) extend to September 30, 1969, the date for presenting a plan for repaying all loans subject to the agreement as amended.

After consideration the Commission 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 of the notes herein authorized is reasonably required for the purposes specified in Decision No. 71928; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed First Amendment of Loan Agreement will not be adverse to the public interest. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The authorization herein granted is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Southwest Gas Corporation may execute and deliver a First Amendment of Loan Agreement in the same form, or in substantially the same form, as that attached to the application as Exhibit A.

2. The maximum amount of notes authorized by Decision No. 71928, dated January 24, 1967, in Application No. 49072, is hereby increased from \$8,500,000 to \$11,000,000, and the notes shall be in the same form, or in substantially the same form, as that annexed to the First Amendment of Loan Agreement.

3. 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.

4. This order shall become effective when Southwest Gas Corporation has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code.

Dated at San Francisco, California,
this 23rd day of APRIL, 1968.

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

