

ORIGINAL

Decision No. 76580

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
)
 of SOUTHWEST GAS CORPORATION)
)
 for Authority to Carry Out the)
 Terms and Conditions of a Second)
 Amendment of Loan Agreement; to)
 Issue Evidences of Indebtedness)
 Thereunder; and to Issue)
 Commercial Paper.)
 _____)

Application No. 51501
Filed November 24, 1969

O P I N I O N

Southwest Gas Corporation seeks an order of the Commission authorizing it to execute and deliver a document entitled Second Amendment of Loan Agreement, and to issue evidences of indebtedness up to a maximum amount of \$11,000,000 at any one time outstanding.

By Decision No. 74015, dated April 23, 1968, in Application No. 50135, the Commission authorized applicant to execute and deliver a First Amendment of Loan Agreement and, pursuant to the agreement as thus amended, to issue and reissue promissory notes up to a maximum amount of \$11,000,000 at any one time outstanding until December 31, 1969.

The utility proposes to enter into a Second Amendment of Loan Agreement whereby Bank of America National Trust and Savings Association, to and including April 30, 1970, by reason of an extension of time, would agree to lend and re-lend not exceeding \$11,000,000 to applicant. The borrowings would continue to bear interest at a rate equal to 1/2 of 1% above the bank's prime commercial rate.

For the purposes of renewing notes representing indebtedness originally incurred for meeting capital expenditures, and obtaining additional funds for such expenditures, applicant proposes to issue and reissue (a) promissory notes pursuant to said agreement as further amended, and (b) commercial paper as market conditions may suggest.

After consideration the Commission finds that:

1. The proposed evidences of indebtedness are for proper purposes.
2. The money, property or labor to be procured or paid for by the issue of the evidences of indebtedness herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.
3. The proposed Second Amendment of Loan Agreement will not be adverse to the public interest.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. 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 Second Amendment of Loan Agreement in the same form, or in substantially the same form, as that attached to the application as Exhibit A.

2. Southwest Gas Corporation, on or after the date hereof and on or before April 30, 1970, for the purposes specified in this proceeding, may issue and reissue up to a maximum amount of \$11,000,000 at any one time outstanding of evidences of indebtedness in the form of commercial paper, and notes under its present agreement with Bank of America National Trust and Savings Association as previously amended and as further amended by the document authorized by Ordering Paragraph No. 1.

3. Within thirty days after issuing any of the evidences of indebtedness herein authorized, Southwest Gas Corporation shall file with the Commission a copy thereof as actually issued, which filing shall be in lieu of a report under General Order No. 24-B.

4. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 23rd day of DECEMBER, 1969.

William Lyman S.
President
Commission
J. Barber
Francis
Yunan L. Stinger
Commissioners