

ORIGINAL

Decision No. 82680

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
 of SOUTHWEST GAS CORPORATION)
 for Authority to Issue \$12,000,000)
 Aggregate Principal Amount of Notes)
 Pursuant to a Credit Agreement and)
 in the Form of Commercial Paper.)

Application No. 54685
 (Filed February 25, 1974)

O P I N I O N

Southwest Gas Corporation seeks authority to issue notes, in the form of commercial paper, or in accordance with a bank line of credit, in the aggregate principal amount of not exceeding \$12,000,000 at any one time outstanding.

Applicant is a California corporation engaged in the business of distributing and selling natural gas in portions of Placer County and San Bernardino County in the State of California. In addition, the company transmits, sells and distributes natural gas in portions of the States of Arizona and Nevada. For the 12 months ended November 30, 1973, it reports operating revenues of \$59,503,396, of which it derived 80% from operations in Nevada, 8% from Arizona and 12% from California.

The utility has received approval of a line of credit with a group of banks, with Bank of America National Trust and Savings Association as agent. Pursuant to the line of credit, the banks would lend and relend to applicant not exceeding \$12,000,000 from time to time through April 30, 1975. The borrowings would be evidenced by notes maturing not more than

90 days from their dates, but in no event later than April 30, 1975. The notes would bear interest at the commercial prime rate of Bank of America National Trust and Savings Association in effect from time to time.

In addition, the utility proposes to issue and reissue not exceeding \$12,000,000 aggregate principal amount of notes in the form of commercial paper as conditions in the commercial paper market may suggest. At no time would the aggregate principal amount of commercial paper and notes outstanding under the line of credit exceed \$12,000,000, taken together.

The proceeds from the notes would be used for the construction, completion, extension or improvement of applicant's facilities and for refunding notes.

After consideration the Commission finds that: (1) the proposed notes would be for proper purposes; (2) the money, property or labor to be procured or paid for by 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.

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:

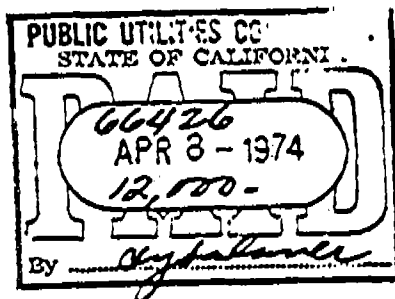
1. Southwest Gas Corporation, on or after the effective date hereof and on or before April 30, 1975, for the purposes

specified in the application, may issue and reissue not exceeding \$12,000,000 of notes at any one time outstanding, which notes shall be in the form of commercial paper or substantially in the form of Exhibit D in accordance with the terms of Exhibit C, which exhibits are attached to the application.

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

3. This order shall become effective when Southwest Gas Corporation has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$12,000.

Dated at San Francisco, California, this 2nd day of April, 1974.



Vernon L. Sturgeon
President
William J. [unclear]
[unclear]
[unclear]
Commissioners