

Decision No. 83241

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
	)	
of SOUTHWEST GAS CORPORATION	)	Application No. 55044
	)	(Filed July 18, 1974)
for Authority to Issue a Deed of	)	
Trust Note in the Aggregate	)	
Principal Amount of \$1,600,000.	)	

O P I N I O N

Southwest Gas Corporation seeks authority to issue a Deed of Trust Note in the principal amount of \$1,600,000.

Applicant is a California corporation engaged in the business of distributing and selling natural gas in portions of Placer and San Bernardino Counties 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 May 31, 1974, it reports operating revenues of \$63,685,222, of which it derived 72% from operations in Nevada, 8% from Arizona, 12% from California and 8% from Federal Power Commission jurisdictional sales.

The application indicates that the utility's new general headquarters office building on a 10-acre parcel in Las Vegas, Nevada is nearing completion. In order to obtain funds for reimbursing its treasury and/or repaying short-term indebtedness to banks incurred in the course of, and for the purpose of paying for, the improvement of said property, including the construction of the general office building, applicant has obtained a commitment from The Lincoln National Life Insurance Company for a take-out

loan in the principal amount of \$1,600,000. The loan would be evidenced by a Deed of Trust Note repayable in monthly installments of \$11,948.16, including interest at the rate of 8% per annum, and would be secured by an existing Deed of Trust.

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

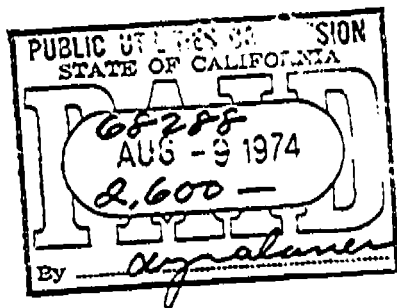
1. Southwest Gas Corporation, on or after the effective date hereof and on or before December 31, 1974, for the purposes specified in the application, may issue a Deed of Trust Note in the principal amount of not exceeding \$1,600,000, which note shall be in substantially the same form as Exhibit D attached to the application, with terms consistent with the copies of The Lincoln National Life Insurance Company letters attached to the application as Exhibit C.

2. Southwest Gas Corporation shall file with the Commission the report 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 \$2,600.

Dated at San Francisco, California, this 6<sup>th</sup> day of August, 1974.

Vernon L. Sturges  
President  
William J. Quinn  
H. H. [illegible]  
[illegible]  
Commissioners



Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.