

ORIGINALDecision No. 84301

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

SOUTHWEST GAS CORPORATION)

for Authority to Issue \$11,000,000)

Aggregate Principal Amount of Notes)

Pursuant to a Credit Agreement and)

in the Form of Commercial Paper.)

Application No. 55563
(Filed March 13, 1975)O P I N I O N

Southwest Gas Corporation seeks authority to issue notes, in accordance with a bank line of credit or in the form of commercial paper, in the aggregate principal amount of not exceeding \$11,000,000 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. The company also transmits, sells and distributes natural gas in portions of the States of Arizona and Nevada. For the year 1974 it reports operating revenues of \$71,273,939 of which it derived 8% from operations in Arizona, 12% from California and 80% from Nevada.

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 terms of the line of credit, the banks would lend and relend to applicant the aggregate principal amount of not exceeding \$11,000,000 from time to time through April 30, 1976. The borrowings would be evidenced by notes maturing not more than 90 days from date of issue, but in

no event later than April 30, 1976. The notes would bear interest at the commercial prime rate in effect from time to time at Bank of America National Trust and Savings Association plus 1/4 of 1%.

Also, the utility proposes to issue and reissue not exceeding \$11,000,000 aggregate principal amount 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 \$11,000,000, taken together.

The proceeds from the notes would be used for the construction, completion, extension, or improvement of applicant's facilities and for refunding an estimated \$8,000,000 of 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, 1976, for the purposes specified in the application, may issue and reissue not exceeding \$11,000,000 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 \$4,000.

Dated at San Francisco, California, this 8th day of April, 1975.

Verma L. ...

President
William ...

Leonard ...

Commissioners

Commissioner ROBERT RATNOVICH

Present but not participating.

