

Decision 84 06 018

JUN 6 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SOUTHWEST GAS CORPORATION for
a decision and order identical
in all respects to Commission
Decision No. 82-11-060, with an
expiration date on or after
July 1, 1984.

Application 84-05-055
(Filed May 15, 1984)

OPINION AND ORDER

Southwest Gas Corporation (applicant) was granted authority to issue and sell not to exceed \$20,000,000 aggregate principal amount of new long-term debt (New Debt) by Decision (D.) 82-11-060 dated November 17, 1982 in Application (A.) 82-09-25.

The decision and order allowed applicant to issue the New Debt on or before December 31, 1983.

Applicant requests that it be allowed to issue said New Debt in accordance with the provisions of a decision and order identical in all respects to D.82-11-060 but that the requested decision have an expiration date on or after July 1, 1984.

Applicant asserts that since the issuance of D.82-11-060, it has held numerous negotiations with its investment bankers in order to negotiate an issue of its First Mortgage Bonds at a favorable interest rate. During the course of the negotiations, the above referenced December 31, 1983 deadline passed. Applicant has, in fact, negotiated the sale of the bonds; however, in order to consummate the issuance and sale of the bonds, applicant requires the issuance of the requested decision with an expiration date on or after July 1, 1984.

The Revenue Requirements Division has reviewed and analyzed the relief sought in this application and in A.82-09-25, and recommends that this application be granted. Our review also

indicates the relief requested in this application is reasonable, including reinstatement of the exemption from our competitive bidding rules.

Based on the facts and allegations set forth in A.82-09-25 and in this application, we find and conclude as follows.

Findings of Fact

1. Applicant, a California corporation, operates as a public utility under the jurisdiction of this Commission.

2. The proposed sale of Debt Securities described in A.82-09-25 is for proper purposes.

3. Southwest needs external funds for the purposes set forth in A.82-09-25.

4. The money, property, or labor to be procured or paid for by the proposed Debt Securities is reasonably required for the purposes specified in A.82-09-25.

5. The sale of the proposed Debt Securities should not be required to be through competitive bidding.

6. A.82-09-25 was granted by D.82-11-060 dated November 17, 1982.

7. Applicant did not exercise the authority granted in D.82-11-060 before that authority expired on December 31, 1983.

8. Applicant now has negotiated the sale of the bonds in issue and desires reinstatement of the authority granted in D.82-11-060.

9. There is no known opposition to the application and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.

2. The application should be granted to the extent set forth in the order which follows.

The proposed security issue is for lawful purposes and the money, property, or labor to be obtained by it is required for these purposes. Proceeds from the security issue may not be charged to operating expenses or income.

The following order should be effective on the date of signature and payment of the fee set by Public Utilities (PU) Code § 1904.2 to enable applicant to proceed with its sale of Debt Securities expeditiously.

IT IS ORDERED that:

1. Southwest Gas Corporation (Southwest) may issue and sell one or more series of its First Mortgage Bonds, Debentures, Unsecured Notes, Promissory Notes, or establish an Intermediate-Term Credit Facility in the aggregate principal amount of up to \$20,000,000, at any time or from time to time, on or before December 31, 1984 in one or more financings by means of competitive bidding, negotiated public offerings, or negotiated private placement.

2. Southwest may execute (1) a supplemental indenture of the Mortgage Indenture for the issuance of additional First Mortgage Bonds, (2) an indenture for the issuance of a new series of Debentures or Unsecured Notes, (3) a supplemental indenture to the Promissory Note Indenture for the issuance of a new series of Promissory Notes, or (4) an agreement for an Intermediate-Term Credit Facility, as the case may be; and, in the case of additional First Mortgage Bonds, Southwest may pledge its property as security for the issuance of these securities.

3. Southwest's financings through negotiated public offering and negotiated private placement are exempted from the Commission's competitive bidding requirements.

4. Southwest shall apply the net proceeds from the sale of its new Debt Securities to the purposes set forth in Application 82-09-25.

5. Promptly after Southwest awards any contract for the sale of its new Debt Securities, if by competitive bidding, it shall file a written report with the Commission showing, for each bid received, the name of the bidder, the price, the interest rate, and the cost of money to the company based on the price and interest rate.

6. If the new Debt Securities are sold by competitive bidding or by a negotiated public offering, as soon as possible, Southwest shall file with the Commission three copies of its final prospectus pertaining to its new Debt Securities.

7. Within 30 days after the issuance and sale of any series of new Debt Securities by means of negotiated public offerings or by negotiated private placement, Southwest shall file with the Commission a report showing why the resulting interest rate and cost of money were the most advantageous to the company and its ratepayers.

8. Southwest shall file the reports required by General Order Series 24.

9. The authority granted by this order to sell new Debt Securities will be effective when Southwest pays \$2,566, the fee set by PU Code § 1904.2.

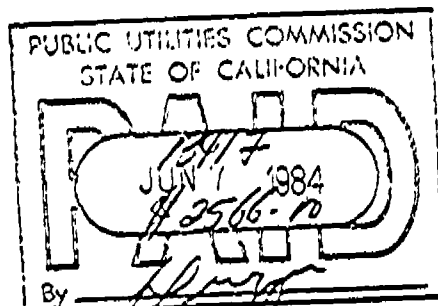
10. This application is granted as provided above.

This order is effective today.

Dated JUN 6 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners



Commissioner Priscilla C. Grow,
being necessarily absent, did
not participate

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

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Joseph E. Bodovitz, Executive Director