

Decision 91-06-023 June 5, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHWEST GAS CORPORATION for)
Authority to: (1) issue one or)
more types or series of debt)
securities in the aggregate)
principal amount of up to)
\$150,000,000; (2) issue and sell)
one or more series of Preferred)
and/or Preference Stock in the)
aggregate principal amount of up)
to \$50,000,000; (3) issue and sell)
up to 7,000,000 Shares of its \$1)
par value Common Stock; and (4))
enter into one or more Interest)
Rate Risk Management Contracts)
(U-905-G).)

ORIGINAL

Application 91-03-010
(Filed March 4, 1991)

OPINION

Summary of Decision

This decision grants Southwest Gas Corporation (Southwest Gas) the authority requested in Application 91-03-010 (Application).

Southwest Gas requests authority, pursuant to §§816 through 830 of the California Public Utilities Code (PU Code), for the following:

1. To issue or obtain debt capital in an aggregate amount not to exceed \$150,000,000 through the issuance directly of one or more types of evidences of indebtedness, including, without limitation, debentures, bonds, notes, loans, commercial paper programs, bankers' acceptances and other short term variable rate instruments which are or may become available in the capital markets, or indirectly through Clark County, Nevada or one or more other financing entities;

2. To determine the precise amount and timing of each such financing, the market in and method by which each is issued, the principal amounts and maturities and, if any, the terms of redemption, repurchase security, other security, subordination and conversion provisions, rights, warrants and the other terms and provisions and the price and interest rate (which may be fixed, adjustable, variable or set by auction or remarketing or other rate setting procedures) of the borrowings and of any related securities or issuable in connection with, and in the manner set forth, in the Application;
3. To issue and sell one or more series of Preferred and/or Preference Stock by public offering or private placement, in an aggregate principal amount not to exceed \$50,000,000, in the manner set forth in the Application;
4. To determine the precise amount and timing of each series of its Preferred and/or Preference Stock, the method of sale, the dividend rate (which may be fixed, adjustable, variable or set by auction or remarketing or other rate setting procedures), dividend period, the liquidation preference, conversion rights, warrants and other rights, preferences, privileges and restrictions to be granted to or upon such shares (including redemption, repurchase and sinking fund provisions, if any) and the price; and of any other series of Preferred Stock, Preference Stock or Common Stock issuable upon conversion or upon the exercise of any related rights or warrants;
5. To issue, sell and deliver up to but not exceeding 7,000,000 shares of its \$1 par value Common Stock by a public or private offering or upon the exercise of conversion rights or other rights or warrants related to any other securities authorized to be issued;

6. To enter into Interest Rate Risk Management Contracts (Interest Rate Contracts) covering amounts up to the outstanding balance of its *floating* interest rate Long-Term debt obligations.
7. The authority granted in this decision shall be in addition to the authority granted in Decision (D.) 90-03-079.

Notice of the filing of the application appeared on the Commission's Daily Calendar of March 13, 1991. No protests have been received.

Southwest Gas, a California corporation, operates as a natural gas utility under the jurisdiction of this Commission, and is engaged in the business of distributing and selling natural gas in certain portions of San Bernardino County and Placer County, California. Southwest Gas is also engaged in the intrastate transmission, sale, and distribution of natural gas as a public utility in certain portions of the states of Nevada and Arizona and is a "natural gas company," within the meaning of the Natural Gas Act, subject to the jurisdiction of the Federal Energy Regulatory Commission with respect to interstate transmission facilities and sales of natural gas for resale on its northern Nevada system.

For the twelve months ended November 30, 1990, Southwest Gas reported it generated total operating revenues of \$496,019,340, which were derived 10.8% from operations in California, 59.0% from Arizona, and 30.2% from Nevada; and net income of \$24,945,336 shown as part of Exhibit A to the application.

Also shown as part of Exhibit A is Southwest Gas' Balance Sheet as of November 30, 1990 which is summarized below:

<u>Assets</u>	<u>Amount</u>
Net Plant	\$ 797,373,430
Invest. in Non-Util. Prop.	207,401,819
Current & Accr. Assets	98,082,864
Deferred Debits	<u>37,783,030</u>
Total	\$1,140,641,143

Liabilities and Equity

Common Equity	\$ 335,035,315
Preferred/Preference Stock	35,290,000
Long-Term Debt	487,133,453
Current & Accr. Liabilities	152,481,034
Deferred Credits	<u>130,701,341</u>
Total	\$1,140,641,143

Debt Securities

Southwest Gas proposes to issue and sell new debt in an aggregate principal amount of not to exceed \$150,000,000, in one or more of the forms to be described below. Southwest Gas states that the precise amount and timing of each type of Debt Security, the market in and the method by which it would be issued and the terms and provisions, price and interest rate (which may be fixed, adjustable, variable or set by auction or remarketing or other rate setting procedures) would be determined by Southwest Gas, with due regard for its financial condition and requirements then prevailing and anticipated market conditions, including competing demands for funds, existing at the time of the sale.

Southwest Gas proposes that the Debt Securities may be issued directly as debentures, notes, bonds, loans or other evidences of indebtedness which may include, without limitation, commercial paper programs, bankers' acceptances or other short-term borrowing instruments which are or may become available in the capital markets. Such obligations may also be issued indirectly through Clark County, Nevada or one or more other financing entities. Each financing would be issued through the use of an indenture, bidding and offering document, purchase

agreement, loan agreement, underwriting agreement or other documents and instruments customary for the financing method selected by Southwest Gas.

Southwest Gas may have the opportunity to issue securities under the aegis of governmental agencies (Agencies) by unconditionally guaranteeing or otherwise securing such Agencies' obligations in respect to its issuance of tax-exempt debt in connection with the financing of Southwest Gas' facilities. Southwest Gas anticipates using the tax-exempt option whenever its facilities qualify for tax-exempt financing under federal law and such financing is available on terms more favorable than those available for taxable financings. Southwest Gas currently contemplates that such financing would require it to enter into, concurrently with the sale and issuance of such securities, a loan agreement and/or a guarantee arrangement with the Agencies regarding such securities.

The following is a general description of the types of Debt Securities which Southwest Gas may issue:

A. Bonds or Debentures

Debt Securities which may be sold either domestically or in foreign capital markets, may be publicly offered or sold privately, and may have fixed or variable rates of interest (including interest rates based upon market indices or interest rates set by auction or remarketing or other rate setting procedures) and may be issued in secured, senior or subordinated form. Such securities would be issued in accordance with an indenture, purchase agreement or other document that would set forth the aggregate principal amount, interest rate or rates, maturities, default and other material provisions and may provide for the conversion into, or the issuance of warrants or rights with respect to Preferred Stock, Preference Stock or Common Stock to the extent authorized to be issued in this decision.

B. Notes

Notes may be offered on a continuous or fixed period basis. Maturities for such Notes generally range from nine months to 15 years, although they can extend as far as 30 years. They may be sold in public or private offerings, with fixed or floating rates, in senior or subordinated form. Notes are generally sold on a best-efforts or agency basis, and can be tailored to an investor's specific maturity requirements.

C. Loans

Southwest Gas may, from time to time, borrow directly from banks, insurance companies or other financial institutions. Southwest Gas intends to use borrowings of this nature in order to obtain funds and increase its financial flexibility.

D. Other Floating Rate Debt

This type of debt would include, but is not limited to, bankers' acceptances, commercial paper programs, and other short-term variable rate instruments which are or may become available in the capital markets.

Preferred and/or Preference Stock

Southwest Gas proposes to obtain equity capital by the issuance and sale of new series of its Preferred and/or Preference Stock from time to time through one or more public offerings or private placements.

The proposed sale of Preferred and/or Preference Stock would be issued through the offering and sale of such shares to the public through either negotiated underwritings or by private placements with institutional or other investors. The sale or sales would be made in one or more series or one or more issues and would result in Southwest Gas receiving equity capital in an aggregate amount not exceeding \$50,000,000.

Southwest Gas states that the precise amount and timing of each offering and sale of one or more series of Preferred and/or Preference Stock, the method of sale, the price, the dividend rate (which may be fixed, adjustable, variable or set by auction, remarketing procedures or other rate setting procedures), dividend period, the liquidation preference and other rights, preferences, privileges and restrictions to be granted to or upon such shares (including redemption, repurchase and sinking fund provisions, if any) have not yet been determined and would be established prior to the offering and sale by Southwest Gas with due regard for its financial condition and requirements and the then prevailing and anticipated market conditions. The Preferred and/or Preference Stock may be convertible into or contain warrants or rights to purchase additional shares of Preferred Stock, Preference Stock or Common Stock to the extent authorized to be issued in this decision.

The offering and sale of Southwest Gas' Preferred and/or Preference Stock would be made through the use of purchase and underwriting agreements and other documents and instruments customary for issuance of such stock by the method selected by Southwest Gas.

The Commission Advisory and Compliance Division (CACD) has analyzed this Application and recommends that the following limitations be placed on Southwest Gas in relation to Preferred and/or Preference Stock which contains Adjustable Dividend Rates:

1. Reports

- a. Within 15 days of issuing Preferred and/or Preference Stock which contains Adjustable Dividend Rates, Southwest Gas shall furnish to CACD a report analyzing all costs associated with the issuance of the Preferred and/or Preference Stock with Adjustable Dividend Rates in comparison to a projection of "all-in cost" without the Adjustable Dividend Rates.

- b. Within 45 days of issuing Preferred and/or Preference Stock with Adjustable Dividend Rates, Southwest Gas shall provide CACD with complete copies of any and all associated documentation.

2. Limit on Rate Recovery

If Southwest Gas elects to terminate a contract in which it agrees to issue Preferred and/or Preference Stock with Adjustable Dividend Rates before the consummation of the contract or the other party(s) terminates the contract, all costs associated with the termination shall be subject to review in Southwest Gas' next Cost of Capital proceeding.

3. Limit on Amount of Agreements

Issuances of Preferred and/or Preference Stock which contain Adjustable Dividend Rates shall not exceed more than 40% of Southwest Gas' total Preferred/Preference Stock outstanding at any one time.

The Commission has considered CACD's recommendations and, finding them reasonable, will adopt them as stated above.

Southwest Gas is placed on notice, by this decision, that the Commission will review the reasonableness of the effective dividend rates for the issuance of Preferred and/or Preference Stock containing Adjustable Dividend Rates in conjunction with Southwest Gas' next Cost of Capital proceeding. Any reductions in the effective cost of money resulting from Preferred and/or Preference Stock issued with Adjustable Dividend Rates will be passed on to Southwest Gas' ratepayers in future Cost of Capital proceedings as a reduction of the cost of money for all preferred securities in Southwest Gas' capital structure.

Common Stock

Southwest Gas proposes to obtain additional equity capital by the issuance and sale of shares of its \$1 par value Common Stock from time to time through one or more public offerings.

The proposed sale of Common Stock would be by means of a private placement or by registered underwritten public offering or offerings. The sale or sales would be made at any time or from time to time and would result in the issuance of shares of Common Stock not to exceed 7,000,000 shares. The sale of such shares, based on the current price of Southwest Gas' Common Stock (\$15.50 per share as of the date the Application was filed), would provide Southwest Gas with additional equity capital of approximately \$108,500,000.

Southwest Gas states that the precise number and timing of each offering and sale has yet to be determined and would be established prior to issuance with due regard to Southwest Gas' financial condition and requirements and then prevailing and anticipated market conditions.

The offering and sale of Southwest Gas' \$1 par value Common Stock would be made through the use of underwriting agreements and other documents customary for the issuance of Common Stock. The Common Stock may be issued with rights or warrants to purchase additional shares of Preferred Stock, Preference Stock or Common Stock to the extent authorized to be issued in this decision.

Interest Rate Contracts

Southwest Gas requests that the Commission grant Southwest Gas the authority to enter into one or more contracts for the purposes of managing interest rate risk (also known as Interest Rate Contracts). Such contracts include Interest Rate Swap agreements, Interest Rate Cap agreements, Interest Rate

Floor agreements and Interest Rate Collar agreements. Southwest Gas anticipates the use of such agreements in connection with its outstanding variable interest rate Debt Securities (including Debt Securities with interest rates based upon the prime rate or other market indices or set by auction, remarketing or other procedures for resetting interest rates). The following is a description of the different types of Interest Rate Contracts:

A. Interest Rate Swap Agreements

Southwest Gas describes Interest Rate Swap Agreements (Swaps) as involving the exchange of a series of interest rate payments between two parties based on a notional amount for a specific period of time. In such an exchange, one party may swap floating rate payments based on a specific index and in exchange pays a specified fixed rate for the term of the swap agreement. Southwest Gas states that it does not anticipate the use of such agreements as a means of swapping its Long-Term *fixed* rate interest payments for additional *floating* rate interest payments.

CACD recommends that the following restrictions and limitations shall be placed on Southwest Gas in relation to Swaps:

1. Reports

- a. Within 15 days of entering into a Swap, Southwest Gas shall furnish to CACD a report analyzing the Swap including all costs associated with the Swap in comparison to a projection of "all-in cost" without a Swap.
- b. Within 45 days of entering into a Swap, Southwest Gas shall provide CACD with a complete copy of the executed agreement and all associated documentation.
- c. Southwest Gas shall separately report all interest income and/or expenses arising from all Swaps in all monthly and annual financial reports to the Commission.

- d. Southwest Gas shall submit a semi-annual report to the Commission showing all Swap receipts and payments. This report shall only be filed for periods when a Swap is outstanding.
2. Limit on Rate Recovery
 - a. If Southwest Gas elects to terminate the Swap before the original maturity or the Swap partner terminates the Swap, all costs associated with the termination shall be subject to review in Southwest Gas' next Cost of Capital proceeding.
 3. Limit on Amount of Swaps
 - a. Swaps shall not exceed the outstanding amount of its *floating* interest rate Long-Term debt obligations.

The Commission has considered CACD's recommendations and, finding them reasonable, will adopt them as stated above.

Southwest Gas is placed on notice, by this decision, that the Commission will review the reasonableness of the effective interest rates for Swaps issued by Southwest Gas in conjunction with its next Cost of Capital proceeding. Any reductions in the effective cost of money resulting from Swap transactions will be passed on to Southwest Gas' ratepayers in future Cost of Capital proceedings as a reduction of the cost of money for all debt securities in Southwest Gas' capital structure.

B. Interest Rate Caps, Floors & Collars

Other types of Interest Rate Contracts are used to modify the maximum and/or minimum rates paid on variable interest rate debt. An Interest Rate Cap is similar to an option whereby the issuer of the variable rate debt pays a premium in order to gain protection from interest rates rising above the rate

specified in the agreement for the term of the Cap. An Interest Rate Floor is similar to an option whereby the issuer of such debt receives a premium and in exchange agrees to pay a minimum rate should a specified interest rate index fall below the minimum rate during the term of the agreement. An Interest Rate Collar is a combination of an Interest Rate Cap and Floor.

Exemption From Competitive Bidding

Ordering Paragraph 6 of Commission Resolution F-616, dated October 16, 1986, in regards to the Commission's Competitive Bidding Rule, states that "The rule is only applicable to utilities with bond ratings of 'A' or higher." Standard & Poors April 1991 Bond Guide indicates that Southwest Gas is rated BBB-. Therefore, Southwest Gas, based on its Standard & Poors' rating, would be exempt from the requirements of the Commission's Competitive Bidding Rule.

Construction Budget

A summary of Southwest Gas' construction budget for the period of 1991 is as follows:

<u>Item</u>	<u>Amount</u>
Intangible Plant	\$ 2,200,712
Other Storage Plant	324,000
Transmission Plant	5,841,818
Distribution Plant	67,836,982
General Plant	11,846,889
Overheads	5,975,911
Retire. Work in Progress	<u>2,769,780</u>
Total	\$96,796,092
Less: Plant Retirements	<u>5,731,967</u>
Total	\$91,064,125

CACD has reviewed the application and Southwest Gas' construction program and concludes that the proposed financing is necessary for the construction program; however, Southwest Gas is placed on notice, by this Decision, that the Commission does not find that its construction budget is necessary or reasonable for ratemaking purposes. These are issues which are normally tested in general rate cases or rate base offset proceedings.

Capitalization Ratios

Southwest Gas' capitalization ratios at December 31, 1990, recorded, and at December 31, 1990, *pro forma* after giving effect to the transactions listed below are as follows:

	<u>December 31, 1990</u>	<u>Pro Forma</u>
Long-Term Debt	56.8%	55.5%
Preferred & Preference Stock	4.1	5.3
Common Equity	<u>39.1</u>	<u>39.2</u>
Totals	100.0%	100.0%

1. The issuance of 1,300,000 shares of Common Stock to the Employees' Investment Plan (EIP) and Dividend Reinvestment and Stock Purchase Plan (DRSPP). D.90-06-057 granted Southwest Gas the authority to issue 1,800,000 shares to its EIP and DRSPP. Pursuant to that authority, approximately 500,000 shares have been issued through December 31, 1990. The issuance of the 7,000,000 shares of Common Stock which are the subject of this decision.
2. The net of the issuance of \$50,000,000 of new Preferred and/or Preference Stock as requested in the Application and the scheduled retirement, over the next three years, of \$22,000,000 of Preferred and Preference Stock.

3. The issuance of \$25,000,000 of Long-Term Debt as authorized by D.90-03-079 and the drawdown of \$10,000,000 from the commercial paper facility authorized by D.88-09-015. The net issuance of \$150,000,000 of Long-Term Debt as requested in the Application and the estimated retirement, over the next three years, of Long-Term Debt totaling \$15,000,000.
4. The use of \$27,000,000 of debt described in (3) above to retire Short-Term Debt outstanding as of March 31, 1990.

Southwest Gas is placed on notice, by this decision, that the Commission does not find that its capital ratios are necessary or reasonable for ratemaking purposes. These are issues which are normally tested in general rate cases or cost of capital proceedings.

Cash Requirements Forecast

Southwest Gas' cash requirements forecast for 1991 and 1992 is summarized as follows:

<u>Components</u>	<u>1991</u>	<u>1992</u>
Funds Needed for Construction Expenditures	\$ 90,000,000	\$ 90,000,000
Maturities of Long-Term Debt	5,000,000	5,000,000
Maturities of Preferred & Preference Stock	7,258,000	7,258,000
Short Term Debt as of Beginning of Year	<u>35,000,000</u>	<u>-0-</u>
Total	\$137,258,000	\$102,258,000
Less:		
Estimated Cash Available from Internal Sources	<u>64,480,000</u>	<u>61,700,000</u>
Additional Funds Required from External Sources	\$ 72,778,000	\$ 40,558,000

CACD has analyzed Southwest Gas' cash requirements forecast for 1991 and 1992. CACD has concluded that internally generated funds would provide \$64,480,000 or 47.0% of Southwest Gas' cash requirements for 1991 and \$61,700,000 or 60.3% in 1992. CACD concludes that the proposed issuance of Southwest Gas' Debt Securities, Preferred and/or Preference Stock, and Common Stock is necessary to help meet forecasted cash requirements which include capital expenditures. CACD has reviewed the Application and has concluded that the proposed issuance of Debt Securities, Preferred and/or Preference Stock, and Common Stock is reasonable and that the authority should be granted.

Use of Proceeds

Southwest Gas states that it intends to apply the net proceeds from the proposed Debt Securities, Preferred and/or Preference Stock, and Common Stock to reimburse its treasury for money expended or to be expended for expansion and betterment of utility plant and to refund its debt obligations to be retired at maturity and through sinking fund payments or redemption (including premiums, if any, required in connection with the above) and to refund debt obligations and/or equity securities required to be acquired through repurchase or otherwise.

During calendar years 1991 through 1993, Southwest Gas anticipates construction expenditures of approximately \$270,000,000. During this period, Southwest Gas estimates it will have approximately \$37,000,000 of Long-Term Debt and Preferred and Preference Stock subject to retirement or sinking fund payments. Further, Southwest Gas anticipates that over this same time-frame it may refinance up to \$285,000,000 of its floating-rate Long-Term Debt.

Findings of Fact

1. Southwest Gas, a California corporation, operates as a natural gas utility subject to the jurisdiction of this Commission.

2. The issuance of the proposed Debt Securities, Preferred and/or Preference Stock, and Common Stock is for proper purposes.

3. The money, property, or labor to be procured or paid for by the proposed Debt Securities, Preferred and/or Preference Stock, and Common Stock is reasonably required for the purposes specified in the application.

4. Southwest Gas has need for external funds for the purposes set forth in the application.

5. There is no known opposition and there is 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.

3. The proposed Debt Securities, Preferred and/or Preference Stock, and Common Stock are for lawful purposes and the money, property, or labor to be obtained by them are required for these purposes. Proceeds from the Debt Securities, Preferred and/or Preference Stock, and Common Stock may not be charged to operating expenses or income.

4. The following order should be effective on the date of signature and payment of a fee of \$22,659 set by §1904(b) of the PU Code.

ORDER

IT IS ORDERED that:

1. At any time after the effective date of this order and on or prior to December 31, 1992, Southwest Gas Corporation (Southwest Gas) is authorized to do the following:

- a. To issue or obtain debt capital in an aggregate amount not to exceed \$150,000,000 through the issuance directly of one or more types of evidences of indebtedness, including, without limitation, debentures, bonds, notes, loans, commercial paper programs, bankers' acceptances and other short-term variable rate instruments which are or may become available in the capital markets, or indirectly through Clark County, Nevada or one or more other financing entities;
- b. To determine the precise amount and timing of each such financing, the market in and method by which each is issued, the principal amounts and maturities and, if any, the terms of redemption, repurchase security, other security, subordination and conversion provisions, rights, warrants and the other terms and provisions and the price and interest rate (which may be fixed, adjustable, variable or set by auction or remarketing or other rate setting procedures) of the borrowings and of any related securities or issuable in connection with, and in the manner set forth, in Application 91-03-010 (Application);
- c. To issue and sell one or more series of Preferred and/or Preference Stock by public offering or private placement, in an aggregate principal amount not to exceed \$50,000,000, in the manner set forth in this decision;

- d. To determine the precise amount and timing of each series of its Preferred and/or Preference Stock, the method of sale, the dividend rate (which may be fixed, adjustable, variable or set by auction or remarketing or other rate setting procedures), dividend period, the liquidation preference, conversion rights, warrants and other rights, preferences, privileges and restrictions to be granted to or upon such shares (including redemption, repurchase and sinking fund provisions, if any) and the price; and of any other series of Preferred Stock, Preference Stock or Common Stock issuable upon conversion or upon the exercise of any related rights or warrants;
- e. To issue, sell and deliver up to but not exceeding 7,000,000 shares of its \$1 par value Common Stock by a public or private offering or upon the exercise of conversion rights or other rights or warrants related to any other securities authorized to be issued;
- f. To enter into Interest Rate Risk Management Contracts (Interest Rate Contracts) covering amounts up to the outstanding balance of its floating interest rate Long-Term debt obligations.

2. The authority granted in this decision shall be in addition to the authority granted in Decision (D.) 90-03-079.

3. Within 15 days after awarding the contract for the sale of Debt Securities by competitive bidding, Southwest Gas shall file a written report with the Commission Advisory and Compliance Division (CACD) showing for each bid received, the name of the bidder, the price, the interest rate and the cost of money to Southwest Gas based on the price and interest rate.

4. If the Debt Securities are sold by means of a public offering, Southwest Gas shall file with CACD three copies of its final prospectus pertaining to the Debt Securities, as soon as practicable, after the prospectus is available.

5. Within 15 days after the issuance and sale of any series of Debt Securities by means of negotiated underwritten public offerings or negotiated private placements, including commercial bank borrowings, in either the domestic or foreign markets, Southwest Gas shall file with CACD a report showing why the resulting interest rate and cost of money were the most advantageous to Southwest Gas and its ratepayers.

6. Southwest Gas shall file copies of all Interest Rate Contract agreements and other related reports as described in this decision.

7. Southwest Gas shall file copies of all reports regarding issues of Preferred and/or Preference Stock which contain dividend rates that may be adjustable, variable or set by auction, remarketing procedures or other rate setting procedures as described in this decision.

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

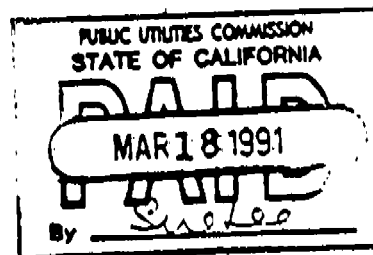
9. Southwest Gas shall submit an original and four copies of the reports required by ordering paragraphs 2 through 8 to CACD with a transmittal letter stating the application and decision numbers. Parties need not be served with copies of the reports unless they request such service in writing. When service is made on parties who request copies of the report, Southwest Gas shall attach to its report a certificate showing service by mail upon all those requesting copies. The Director of CACD shall send the original and one copy to the Formal File for filing.

10. The application is granted as set forth above.

The authority granted by this order to issue Debt Securities, Preferred and/or Preference Stock and Common Stock will become effective when Southwest Gas pays \$22,659, the fee set by Public Utilities Code Sections 1904(b) and 1904.1. In all other respects, this order is effective today.

Dated June 5, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners



Rec. #37455
\$26,159.00

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

[Handwritten Signature]
NEAL J. SULLIVAN, Executive Director
PO