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Decision No. 89593 OCT 31 1978**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN CALIFORNIA)
 GAS COMPANY and PACIFIC LIGHTING)
 SERVICE COMPANY to Execute and)
 Deliver Credit Agreements)
 Encumbering Natural Gas)
 Inventories.)

Application No. 57096
 (Petition for Modification
 filed October 4, 1978)

OPINION AND ORDER FOR
 MODIFICATION OF DECISION NO. 87115

By Decision No. 87115 dated March 22, 1977 in this proceeding, the Commission authorized Southern California Gas Company (SoCal) and Pacific Lighting Service Company (PLS) to execute and deliver credit agreements for the purpose of securing bank acceptance credit from Bank of America National Trust and Savings Association (Bank). Under the terms of the credit agreement, attached to the application as Exhibit A, the two utilities would encumber a portion of their natural gas inventories. Bank in turn would extend bank acceptance credit of \$50,000,000 to SoCal and \$50,000,000 to PLS. The total amount of credit to both SoCal and PLS would not exceed \$70,000,000 in the aggregate at any time.

By petition for modification filed October 4, 1978, SoCal and PLS have requested the Commission to modify Decision No. 87115 to permit bank acceptance financing with any bank (not limited to Bank, the bank named in Application No. 57096) and to execute and deliver credit agreements substantially in the form of Exhibit A attached to Application No. 57096 with such additions, deletions, and other changes as may be required by the bank extending bank acceptance credit.

SoCal and PLS seek authority to obtain such bank acceptance credit from other banks for the reason that such financing might be less costly than would be the case were SoCal and PLS limited to the one bank named in the decision. The ability to negotiate terms with other banks might result in a lower cost of money on short-term

indebtedness than would be the case were SoCal and PLS limited to the single bank named in the decision. The Commission finds the proposal of SoCal and PLS to be in the public interest and their request will therefore be granted. The matter is noncontroversial and there is no reason to delay granting the authority requested. A public hearing is not necessary.

IT IS ORDERED that:

1. Decision No. 87115 is modified to the extent that Southern California Gas Company and Pacific Lighting Service Company may enter into credit agreements with any bank or banks.

2. In all other respects Decision No. 87115 remains in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 31st day of OCTOBER, 1978.

Lebstein
Chaire J. Dedrich

Robert Bateman
William [unclear]
Vernon L. [unclear]
Robert D. [unclear]

Commissioners