

ENERGY/RHG

Decision 99-12-016 December 2, 1999

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHWEST)
GAS CORPORATION U-905-G, for authority to:)
(a) issue one or more types of Debt Securities in)
principal amount of up to \$251,000,000; (b) issue)
one or more series of Preferred Securities in)
principal amount of up to \$60,000,000; (c) issue up)
to 6,000,000 shares of its \$1 par value Common)
Stock; and (d) refinance previously issued short-)
term debt securities.)
_____)

Application 97-02-049
(Petition for Modification
filed October 7, 1999)

SUPPLEMENTAL OPINION

Summary of Decision

This decision grants Southwest Gas Corporation (Southwest) the authority requested in its petition for modification of Decision (D.) 97-05-037 (Petition).

Pursuant to Rule 47 of the Commission's Rules of Practice and Procedure, Southwest seeks to have the effective date of D.97-05-037 until December 31, 2000.

Notice of the filing appeared on the Commission's Daily Calendar of October 14, 1999. No protests have been received.

Background

Southwest, a California corporation, is a public utility under the jurisdiction of this Commission, and is primarily engaged in the business of distributing and selling natural gas in certain portions of San Bernardino, El Dorado, Placer, and Nevada Counties, California. Southwest 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.

D.97-05-037 dated May 6, 1997, in Application (A.) 97-02-049 authorized Southwest to:

1. issue and sell, in an aggregate principal amount not exceeding \$251,000,000, debentures, notes, medium-term notes, bonds, and to enter into loans or other evidence of indebtedness which includes, without limitation, commercial paper programs, bankers' acceptances, or other short-term instruments which are or may become available in the capital markets or indirectly through governmental entities (collectively Debt Securities);
2. issue and sell, in an aggregate amount not exceeding \$60,000,000, one or more series of Preferred Stock;
3. issue and sell up to 6,000,000 shares of Southwest's \$1 par value Common Stock; and
4. refinance, refund, or replace short-term debt securities.

We note herein that pursuant to the Relief Requested by Applicant section in A.97-02-049, Southwest requested that the issue of Debt Securities and equity capital be authorized and that such order be effective through December 31, 1999.

For expediency, timing flexibility, and to minimize utility and staff workload, D. 97-05-037 granted Southwest the authority to issue its requested Debt Securities and equity capital without any time limitation. The authority is intended to remain in full force and effect until the full amount of the authorization have been issued or utilized.

Modification Sought

According to the Petition and telephone conversation between utility and staff, Southwest wants to have a broad complement of financing options through December 31, 2000 and requests that the authority granted in D.97-05-037 continue until December 31, 2000.

With the remaining authority under D.97-05-037 (\$89,000,000 Debt Securities, \$60,000,000 Preferred Securities, and 6,000,000 shares of Southwest's \$1 par value Common

Stock) and the remaining authority under D.93-02-008, as modified, which is the subject of a separate Petition to Modify Existing Authority through December 31, 2000 (\$40,000,000 Preferred and/or Preference stock; 165,200 shares of Southwest's \$1 par value Common Stock), the granting of this Petition would place Southwest in a synchronous position and provide it with the ability to issue either debt or equity securities, in sufficient quantities to address its external financing requirements during the year 2000.

Southwest's Petition raises no questions that should dissuade us from giving favorable consideration to the authority requested. Although D.97-05-037 is in effect until the authority is used, we will, in conjunction with Southwest's intent and purposes, order in this decision, that Southwest may use its remaining authority until December 31, 2000. Southwest paid on February 19, 1997 the fee for the financing authority granted in D.97-05-037 as required by PU Code § 1904(b).

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to PU Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

We approve Southwest's Petition in this order.

Findings of Fact

1. Southwest's Petition would be for proper purposes and would not be adverse to the public interest.
2. Southwest's Petition is not for an additional or "new money" issue but for authority to use its remaining authorization under D.97-05-037 until December 31, 2000.
3. The fee associated with D.97-05-037 was paid by Southwest on February 19, 1997.
4. Notice of the filing of the Petition appeared on the Commission's Daily Calendar of October 14, 1999, and no protests have been received. There is no known opposition to the Petition and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.
2. The Petition should be granted to the extent set forth in the order that follows.
3. The following order should be effective on the date of signature.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. The authority granted to Southwest Gas Corporation (Southwest) by Decision (D.) 97-05-037 shall be effective until December 31, 2000.
2. Southwest's petition for modification of D.97-05-037 is granted as set forth above.
3. In all other respects, D.97-05-037 remains in full force and effect.

This supplemental order is effective today.

Dated December 2, 1999, at San Francisco, California.

RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
JOEL Z. HYATT
CARL W. WOOD
Commissioners