

ENERGY/RHG

Decision 99-12-017 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: )  
 (1) issue and sell one or more series of Debt )  
 Securities not to exceed \$250,000,000; (2) issue and )  
 sell one or more series of Preferred and/or )  
 Preference Securities not to exceed \$50,000,000; )  
 and (3) issue and sell up to 3,000,000 shares of its )  
 \$1 par value Common Stock. )  
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Application 92-11-037  
(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.) 93-02-008, as modified by D.95-08-048, D.96-11-013, and D.98-12-015 (Petition).

Pursuant to Rule 47 of the Commission's Rules of Practice and Procedure, Southwest seeks to have an extension of the expiration date of D.93-02-008, as modified, from December 31, 1999 to December 31, 2000.

Notice of the filing appeared on the Commission's Daily Calendar of October 13, 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.93-02-008 dated February 3, 1993, in Application 92-11-037, authorized Southwest to (1) issue Debt Securities in an aggregate amount not to exceed \$250,000,000, (2) issue and sell, in one or more series, Preferred and/or Preference Stock in an aggregate amount not to exceed \$50,000,000, and (3) issue, sell and deliver up to 3,000,000 shares of its Common Stock by public or private offering or upon the exercise of conversion rights or other rights or warrants related to any securities authorized to be issued. The Commission in D.98-12-015 dated December 3, 1998 extended the effectiveness of the authority granted in D.93-02-008, as modified, from December 31, 1998 to December 31, 1999.

#### **Modification Sought**

Southwest seeks to extend the authorization in D.98-12-015 with respect to the issuance and sale of Preferred and/or Preference Stock and Common Stock until December 31, 2000. The debt authority under D.93-02-008 has been fully used.

Changing financial markets and Southwest's financial condition have dictated the financing options used by Southwest since the initial grant of authority in D.93-02-008, as modified. Through this Petition, Southwest states that it would have a broad complement of financing options if its unused authority is extended through December 31, 2000.

In addition, D.97-05-037 granted Southwest the authority to issue debt and equity securities, of which \$89,000,000 Debt Securities, \$60,000,000 Preferred Securities, and 6,000,000 shares of its \$1 par value Common Stock remains unissued.

With the remaining authority under D.93-02-008, as requested to be further modified (\$40,000,000 Preferred and/or Preference stock; 165,200 shares of Southwest's \$1 par value Common Stock) and the remaining authority under D.97-05-037, Southwest would have the ability to issue either debt or equity securities at sufficient levels to address its financing requirements from now through 2000.

Southwest's request for extension of the authority granted in D.93-02-008, as modified, through December 31, 2000, raises no questions that should dissuade us from giving favorable

consideration to the authority requested. Southwest has previously paid the fee set by PU Code Section 1904(b).

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. The proposed extension of time to December 31, 2000, during which Southwest may issue its remaining authority granted in D.93-02-008, as modified 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 an extension of its current authorization which will expire December 31, 1999.

3. The fee associated with D.93-02-008 was paid by Southwest.

4. Notice of the filing of the Petition appeared on the Commission's Daily Calendar of October 13, 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.) 93-02-008, as modified by D.95-08-048, D.96-11-013, and D.98-12-015, is amended to extend the period of authorization until December 31, 2000.

2. Southwest's petition for modification of D.93-02-008, as modified is granted as set forth above.

3. In all other respects, D.93-02-008, as modified 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