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ORIGINAL

Decision No. 11949.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
WESTERN STATES GAS AND ELECTRIC COMPANY,
a corporation, for authority to create
a note indebtedness in the sum of
\$20,000,000.00 and sell and dispose of
such notes in the face amount of
\$5,000,000.00.

Application No. 8331.

BY THE COMMISSION:

THIRD SUPPLEMENTAL ORDER.

WESTERN STATES GAS AND ELECTRIC COMPANY in its Third Supplemental Petition filed in the above entitled matter asks permission to use \$133,311.37 of the proceeds received from the sale of the notes authorized by Decision No. 11123, dated October 18, 1922, as amended, to finance construction expenditures made prior to February 28, 1923.

In Decision No. 11123, the Commission authorized Western States Gas and Electric Company to issue and sell, for cash, at not less than 91-1/2 per cent. of their face value and accrued interest, \$5,000,000.00 of Series "A" six per cent. notes due November 1, 1937, or interim certificates of like amount. The order of the Commission as amended, permits the company to use \$318,848.00 of the proceeds to finance in part construction expenditures made prior to November 30, 1922 and to reimburse its treasury because of surplus earnings used to make sinking fund payments and in addition to use such amount of the proceeds as might be found necessary to pay or refund the \$1,199,000.00 of collateral trust notes due August 1, 1923, and the \$2,668,000.00 of 6 per cent. notes due February 1, 1927. The remaining proceeds may be expended only as authorized by the Commission in supplemental orders.

Applicant now reports that during the month of December, 1922, and January and February, 1923, it expended for construction purposes the sum of \$146,834.94, as shown in some detail in exhibits attached

to the supplemental petition. It appears, however, that a portion of these expenditures has already been paid or provided for through the issue of stock or bonds and that there remained a balance of uncapitalized construction expenditures on February 28, 1923, of \$133,311.37. The company asks that it be authorized to use \$133,311.37 received from the sale of its notes to finance these reported expenditures.

The Commission has given consideration to applicant's request and believes that it should be granted as herein provided, therefore,

IT IS HEREBY ORDERED, that WESTERN STATES GAS AND ELECTRIC COMPANY be, and it is hereby, authorized to use \$133,311.37 of the proceeds received from the sale of the Series "A" six per cent. notes authorized by Decision No. 11123, dated October 18, 1922, as amended, to finance in part, the cost of additions and betterments made prior to February 28, 1923, and not otherwise capitalized.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 11123, dated October 18, 1922, as amended, shall remain in full force and effect, except as modified by this Third Supplemental Order.

DATED at San Francisco, California, this 20th day of April, 1923.

Clarence
H. B. Brundage
Dwight Martin

Commissioners.