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Decision No. 13424

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WESTERN STATES GAS AND ELECTRIC COM-)
PANY, a corporation, for an order)
authorizing the issue and sale of its) Application Number 8568
preferred stock of the par value of)
\$500,000.00.)

BY THE COMMISSION:

ORIGINAL

FOURTH SUPPLEMENTAL ORDER

Western States Gas and Electric Company, by Decision Number 11579, dated February 3, 1923, was authorized to issue and sell for cash at not less than par, \$500,000.00 of its seven percent. cumulative preferred stock. The order of the Commission, as amended from time to time, has permitted the company to use an amount of the proceeds not exceeding six percent. of the par value of stock sold to pay commissions, salaries, advertising and other expenses incident to the sale of the stock, to use \$135,000.00 of the proceeds to finance in part construction expenditures made prior to December 31, 1923, and to use the proceeds received from the sale of \$211,000.00 of the stock to reimburse its treasury on account of sinking fund payments made since December 1, 1919 and prior to December 31, 1923, or to pay current indebtedness incurred in making such sinking fund payments. The remaining proceeds may be used only when and for such purposes as the Commission may authorize by a supplemental order or orders.

In its fourth supplemental petition filed in the above entitled matter on April 1, 1924, applicant asks permission to use an additional \$100,000.00 of the proceeds received from the sale of the stock authorized by Decision Number 11579 to reimburse its treasury for construction expenditures made up to and including February 29, 1924. Exhibit No. 1 attached to the fourth supplemental petition indicates that subsequent to November 30, 1916 and prior to February 29, 1924 the company expended \$7,368,063.12 for additions and betterments, exclusive of its El Dorado development. From this amount applicant deducts \$298,906.76 because of moneys represented by the depreciation reserve which have been invested in properties, and \$5,544,152.19 representing proceeds from the sale of stock, bonds and notes heretofore authorized by the Commission, leaving a balance of \$1,525,004.17 reported to represent uncapitalized construction expenditures as of February 29, 1924.

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

IT IS HEREBY ORDERED that the order in Decision Number 11579, dated February 3, 1923 be, and it is hereby, modified so as to permit Western States Gas and Electric Company to use an additional \$100,000.00 of proceeds received from the sale of stock authorized by that decision to finance in part the cost of the construction expenditures made prior to February 29, 1924 and referred to herein, provided that only such expenditures as are properly chargeable to capital account shall be financed with

such proceeds.

IT IS HEREBY FURTHER ORDERED that the order in Decision Number 11579, dated February 3, 1923, as amended, shall remain in full force and effect, except as modified by this Fourth Supplemental Order.

DATED at San Francisco, California, this 15th day of April, 1924.

C. Seamy

H. B. Bunnidge

J. T. Whittey
Commissioners