

ERA

Decision No. 15220

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WESTERN STATES GAS AND ELECTRIC COMPANY) Application No. 10708
for an order authorizing the issue and)
sale of its preferred stock of the par)
value of \$1,602,000.00.)

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION AND ORDER

The Railroad Commission by Decision No. 14470, dated January 17, 1925, authorized Western States Gas and Electric Company to issue and sell at not less than par \$1,602,000. of its seven percent cumulative preferred stock.

The order of the Commission permits the company to use, of the proceeds obtained through the sale of its stock, an amount not exceeding six percent of the par value of stock sold to pay commissions and other expenses incident to the sale and to use the net proceeds from the sale of \$98,214. of such stock to refund in part sinking fund payments of December 1, 1924. The remaining proceeds and such portion of the six percent not needed for commissions and selling expenses may be used by applicant to finance in part the cost of

extensions, additions and betterments described in exhibits filed in the above entitled application or for such other purposes as the Commission might authorize in a supplemental order or orders.

In a supplemental application filed in this proceeding on July 24th, applicant asks that the order in Decision No. 14470 be modified so as to permit it to use the proceeds from the sale of \$93,300. of the stock authorized therein to reimburse its treasury on account of sinking fund payments. It reports that since the date of the Commission's decision it has paid into the sinking fund of its first and refunding (now first) mortgage the sum of \$134,951.25, of which \$134,667.95 was used for the purpose of retiring \$135,000. of its first and refunding (now first) mortgage five percent bonds. It further reports that since December 1, 1919, it has retired through the operations of its various sinking funds \$1,596,500. of its first and refunding bonds and \$68,000. of American River Electric Company bonds, making a total of \$1,664,500. of bonds, on which the annual interest charges amounted to \$83,225.

In lieu of such bonds the Commission by various orders has authorized applicant to use the proceeds from the sale of \$1,095,571. of preferred stock and fifteen year notes due in 1937. The interest and dividends on such stock and notes at the rate of seven percent per annum amount to \$76,690. which, deducted from the \$83,225., the interest on the bonds retired, leaves a balance of \$6,535., which sum is sufficient to pay dividends at seven percent on \$93,300. of stock.

The Commission has given consideration to applicant's request in its first supplemental petition filed in the above entitled matter and believes that it should be granted, therefore,

IT IS HEREBY ORDERED, that the order in Decision No. 14470, dated January 17, 1925 be, and it hereby is, modified so as to permit Western States Gas and Electric Company to use the net proceeds from the sale of \$93,300. of the stock therein authorized, to reimburse its treasury and to refund, in part, sinking fund payments made since December 1, 1924 and referred to herein.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 14470, dated January 17, 1925, shall remain in full force and effect, except as modified herein.

DATED at San Francisco, California, this 30th day of July, 1925.

H. R. Bundy

George D. Squires

Leon Whitell
Commissioners.