

Decision No. 11403

ORIGINAL

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 authority
to create a note indebtedness in the
sum of \$20,000,000 and sell and dis-
pose of such notes in the face value
of \$5,000,000.00.

Application Number 8331.

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER.

The Commission on October 18, 1922 by Decision Number 11123, authorized the Western States Gas and Electric Company to issue and sell for cash on or before April 1, 1923, at not less than 91-1/2 percent. of their face value and accrued interest \$5,000,000.00 of Series A six percent. notes due November 1, 1937, or interim certificates of a like amount.

Authority was granted, subject among others, to the condition that none of the notes may be issued until the Commission by supplemental order has authorized the execution of an agreement defining the terms and conditions under which the notes will be issued. The \$5,000,000.00 of notes which the Commission has authorized to be issued are a part of an authorized issue of \$20,000,000.00. The decision recites that the \$5,000,000.00 of Series A notes are redeemable at any time prior to maturity, as a whole or in part, on 30 days published notice at 105 per cent. of the par value and accrued interest during the first five years of their term; at 102-1/2 percent. of their par value and accrued interest during the next five years; and at 101 percent. of their par value and accrued interest during the last five years of their term. It appears that this statement is in error and that the \$5,000,000.00 of notes, upon at least thirty days published notice, may, at the option of the company

be redeemed at any time prior to the date of maturity; at 105 percent. and accrued interest if redeemed on or before October 1, 1927; at 102-1/2 percent. and accrued interest if redeemed after October 1, 1927; and on or before October 1, 1932; and at 100 percent. and accrued interest if redeemed after October 1, 1932. It is also recited in the Commission's decision that the notes are to be dated November 1, 1922 and mature November 1, 1937. It has been concluded to have the notes dated October 1, 1922 and payable October 1, 1937. All of these facts are set forth in the trust agreement which applicant has filed with its first supplemental application in the above entitled matter and which it asks permission to execute.

The Commission has considered applicant's request and believes that such request 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 execute a trust agreement substantially in the same form as the trust agreement filed on December 20, 1922 in the above entitled matter, provided that the authority herein granted to execute a trust agreement is for the purpose of this proceeding only and is granted in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said trust agreement, as to such other legal requirements to which said trust agreement may be subject.

IT IS HEREBY FURTHER ORDERED that Western States Gas and Electric Company be, and it is hereby, authorized to issue \$5,000,000.00 face value of its Series A fifteen year gold notes dated October 1, 1922 and exchange the same for the interim certificates issued and sold under the provisions of Decision Number 11123 dated October 18, 1922 or sell said \$5,000,000.00 of notes or any part thereof under the provisions of said decision.

IT IS HEREBY FURTHER ORDERED that the order in Decision Number 11123 dated October 18, 1922 shall remain in full force and ef-

fect, except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 27th day of December, 1922.

H. K. Brundage

Wm. W. Martin

Chas. H. Jones

J. F. Tamm

Commissioners.