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Decision No. 9102.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of)
WESTERN STATES GAS AND ELECTRIC COMPANY)
for an order authorizing the issuance)
of bonds of the par value of \$179,000.)

Application No. 6863.

Chickering and Gregory, by Allen L. Chickering,
for Applicant.

MARTIN, Commissioner.

O P I N I O N.

WESTERN STATES GAS AND ELECTRIC COMPANY asks permission to issue \$179,000.00 face value of its first and refunding mortgage 5 per cent sinking fund gold bonds due June 1, 1941.

As of April 30, 1921, Western States Gas and Electric Company reports \$3,231,500.00 of common and \$2,835,500.00 of 7 per cent preferred stock outstanding. Its funded debt, in the hands of the public, is reported at \$7,208,500.00 and consists of \$239,000.00 of American River Electric Company 5 per cent bonds due July 1, 1933; \$4,206,500.00 of Western States Gas and Electric Company 5 per cent bonds due June 1, 1941; \$1,199,000 of Western States Gas and Electric Company 6½ per cent notes due August 1, 1923 and \$1,564,000 of Western States Gas and Electric Company 6 per cent notes due February 1, 1927. In addition, the company reports \$1,724,000 of its bonds outstanding as collateral to secure the payment of the \$1,199,000 of 6½ per cent notes.

Applicant reports in this application and in exhibits at-

tached to the petition, that up to April 30, 1921, it has expended for plant extensions, additions and betterments the sum of \$565,518.27, which expenditures remain uncapitalized. Applicant is of the opinion that it can call upon the trustee under its first and refunding mortgage to certify bonds in the amount of \$179,111.98 on account of expenditures made up to April 30, 1921. Applicant intends to issue and sell \$179,000.00 of the bonds at not less than 77 per cent of their face value and accrued interest, and use the proceeds to reimburse its treasury and pay indebtedness.

The testimony shows that applicant is asking permission to issue additional first and refunding mortgage bonds for the reason that it has been unable to carry forward its financial plans as rapidly as it had expected, and that it does not intend to go forward with those plans until it has secured the necessary permits or licenses for the construction of its new hydroelectric plant or plants.

I herewith submit the following form of Order.

O R D E R.

WESTERN STATES GAS AND ELECTRIC COMPANY having applied to the Railroad Commission for authority to issue \$179,000.00 of bonds, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of said bonds is reasonably required for the purpose or purposes specified herein, and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that WESTERN STATES GAS AND ELECTRIC COMPANY be, and it is hereby, authorized to issue and sell at not less than 77 per cent of their face value and accrued interest, on or before September 1, 1921, \$179,000.00 of its first and refunding mortgage 5 per cent sinking fund gold bonds, due June 1, 1941.

The authority herein granted is subject to further conditions as follows:

- 1.--The proceeds obtained from the sale of the bonds herein authorized to be issue and sold, shall be used by applicant to reimburse in part its treasury because of the expenditures for plant extensions, additions and betterments installed prior to April 30, 1921, and to pay indebtedness incurred for said purposes and mentioned in this application.
- 2.--Western States Gas and Electric Company shall keep such record of the issue and sale of the bonds herein authorized, and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month, a verified report as required by the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.
- 3.--The authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 13th day of June, 1921.

State of California
Railroad Commission
JUN 12 1921
BY [Signature]

[Signature]
[Signature]
[Signature]
COMMISSIONERS.