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Decision No. 12578.

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BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the Matter of the Application of
SPRING VALLEY WATER COMPANY,
a corporation, for an order authorizing the issue of first mortgage five per cent. gold bonds, of the aggregate face value of $22,000,000.

Application No. 8546.

BY THE COMMISSION:

THIRD SUPPLEMENTAL ORDER.

The Railroad Commission by Decision No. 11467, dated January 6, 1923, authorized SPRING VALLEY WATER COMPANY to issue $22,000,000.00 face value of five per cent. twenty-year bonds, or in lieu thereof, interim certificates of a like amount. The authority was granted subject, among others, to the following conditions:

a...."(2)- None of the bonds herein authorized to be issued shall be delivered until the Commission by supplemental order has authorized applicant to execute a mortgage or deed of trust securing the payment of the bonds."

b...."(3) - Upon having received authority from the Commission to execute a mortgage or deed of trust securing the payment of the bonds, applicant may use such part of the proceeds as is necessary to pay or refund the $750,000.00 of five per cent. notes due February 1, 1923, the $2,500,000.00 of six per cent. collateral trust notes due March 1, 1923 and the $17,859,000.00 of four per cent. general mortgage bonds due December 1, 1923. Any proceeds not used to pay the indebtedness mentioned may be expended only for such purposes as the Railroad Commission will hereafter authorize."

In Decision No. 11714, dated February 23, 1923, the Commission modified Decision No. 11467 and authorized applicant to expend not

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exceeding $2,500,000 of the proceeds from the sale of interim certificates to pay $2,500,000 of six per cent. three-year collateral trust notes, due March 1, 1923. By Decision No. 12229, dated June 19, 1923, Decision No. 11467 was further modified so as to permit applicant to expend not exceeding $750,000 of the proceeds obtained from the sale of interim certificates to pay off a note in the face amount of $750,000. It appears that the $750,000 note was paid through the sale by applicant to the Union Trust Company of San Francisco of United States Government bonds in a sufficient amount to realize funds to pay the note. On August 16th, applicant filed with the Railroad Commission a copy of its proposed mortgage and deed of trust in lieu of that filed with the Commission on June 16th. It asks permission to execute a mortgage and deed of trust substantially in the same form as that filed with the Commission on August 16th. The company also asks permission to use the proceeds obtained from the sale of its bonds to pay its four per cent. bonds due December 1, 1923, amounting to $17,859,000; to reimburse its treasury because of having paid a $750,000 note, and to pay in part the cost of additions and betterment installed since July 1, 1921.

The Commission has considered applicant's requests and believes that they should be granted as herein provided; therefore,

IT IS HEREBY ORDERED, that SPRING VALLEY WATER COMPANY be, and it is hereby, authorized to execute a mortgage and deed of trust substantially in the same form as the mortgage and deed of trust filed with the Railroad Commission on August 16, 1923; provided,-

> THAT the authority herein granted to execute a mortgage and deed of trust 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 mortgage and deed of trust as to such other legal requirements to which said mortgage and deed of trust may be subject.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No.

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11467, dated January 6, 1923, as amended, be, and it is hereby, further amended so as to permit SPRING VALLEY WATER COMPANY to use the proceeds obtained from the sale of the bonds authorized to be issued and sold by said decision, to pay its four per cent. bonds due December 1, 1923; to reimburse its treasury because of moneys expended to pay the $750,000 note referred to in such decision, and to finance the cost of additions and betterments to applicant's plants and properties installed subsequent to July 1, 1921.

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

1....Only such cost of additions and betterments as is properly chargeable to capital account under the uniform classification of accounts prescribed by the Railroad Commission shall be financed through the use of moneys obtained through the sale of the bonds.

2....Within thirty days after the excution of the mortgage and deed of trust herein referred to, applicant shall file with the Railroad Commission three (3) copies of such mortgage and deed of trust.

IT IS HEREBY FURTHER ORDERED, that Decision No. 11467, dated January 6, 1923, as amended, shall remain in full force and effect except as modified by this Third Supplemental Order.

DATED at San Francisco, California, this 22nd day of August, 1923.

C L Seavey

Irving Martin

J M Whittsey

Commissioners.

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