

LEM

Decision No. 18288 .

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 H. T. ROBINSON, )  
 doing business under the name and )  
 style of OCEAN PARK HEIGHTS LAND )  
 AND WATER COMPANY to sell, and of )  
 OCEAN PARK HEIGHTS WATER COMPANY, a )  
 corporation, to purchase a water sys- )  
 tem, and to issue bonds and stock in )  
 payment therefor and for other pur- )  
 poses. )

Application No. 13100

In the Matter of the Application of )  
 H. T. ROBINSON, )  
 operating under the name and style of )  
 OCEAN PARK HEIGHTS LAND AND WATER COM- )  
 PANY to exercise franchise rights. )

Application No. 13198

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

The Commission by Decision No. 17974 dated February 8, 1927, authorized the Ocean Park Heights Water Company, among other things, to issue \$100,000.00 of its six and one half percent 20-year bonds, subject, among others, to the condition that the authority to issue such bonds will not become effective until the Commission has authorized the Ocean Park Heights Water Company to execute a mortgage or deed of trust to secure the payment of said bonds. The Commission in its decision also indicated certain changes in the company's proposed mortgage or deed of trust filed in this proceeding as Exhibit "H". On April 25th the Commission received a revised copy of the company's proposed mortgage and/or deed of trust which the company asks permission to execute to secure the payment of an authorized issue of \$500,000.00 of bonds including the \$100,000.00, the issue of which the Commission authorized by

Decision No. 17974. The company has modified its proposed mortgage or deed of trust so as to eliminate all of the matters to which the Commission took exception in its decision of February 8th. It appears from the company's proposed deed of trust that it intends to issue a six percent 20-year bond.

We have considered the company's proposed mortgage or deed of trust filed with this Commission on April 25th and find the same to be in satisfactory form, except that Section twenty-four of Article two should be modified so that it shall read:

under this Article

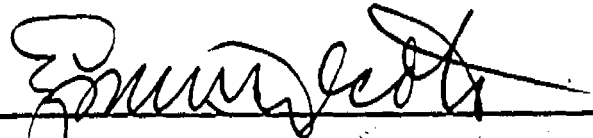
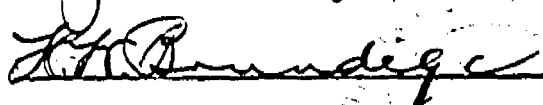
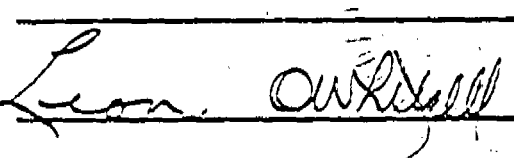
"The Trustee shall authenticate and deliver bonds/only to an aggregate principal amount equal to sixty percent of (a) if the permanent additions have been constructed by the Water Company, the actual cost thereof, (b) if the permanent additions are to be constructed by the Water Company, the contract price thereof, or (c) if the permanent additions have been or are to be acquired by the Water Company, the actual cost to the Water Company thereof or the fair value thereof (less accrued depreciation) whichever shall be less, if such permanent additions are free from prior liens or charges; and if such permanent additions shall be subject to any prior liens or charges the Trustee shall authenticate and deliver under this Article only such an amount of bonds as together with the aggregate amount of such existing prior liens and charges shall not exceed sixty percent of the cost or fair value of such permanent additions, whichever shall be less."

IT IS HEREBY ORDERED that Ocean Park Heights Water Company be, and it is hereby, authorized to execute a mortgage and/or deed of trust substantially in the same form as the mortgage or deed of trust filed with the Commission on April 25, 1927, provided the same is amended as herein indicated; and provided further that the authority herein granted to execute said mortgage and/or deed of trust is for the purpose of this proceeding only, and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage or deed of trust as to such other legal requirements to which said mortgage or deed of trust may be subject,

IT IS HEREBY FURTHER ORDERED that within thirty days after the execution of the said mortgage and/or deed of trust, Ocean Park Heights Water Company shall file two certified copies of said mortgage and/or deed of trust with the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 17974 dated February 8, 1927 shall remain in full force and effect, except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 28<sup>th</sup> day of April, 1927.

  
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Commissioners.