

Decision No. ✓

ORIGINAL

Decision No. 2641

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

-----oOo-----

In the matter of the Reorganization of)  
UNITED LIGHT AND POWER COMPANY and ) Application No. 1542.  
subsidiary companies. )

-----

BY THE COMMISSION.

FOURTH SUPPLEMENTAL OPINION.

On July 13, 1915, this Commission in the above entitled matter issued its third supplemental order, in which among other things it approved the mortgage and deed of trust securing the payment of \$2,500,000 face value of general mortgage 5 per cent. forty year gold bonds of Consolidated Electric Company.

Applicants in the above entitled matter now request that Consolidated Electric Company be permitted to amend and modify the mortgage and deed of trust heretofore approved by the Commission.

In the first place, it is proposed to add to section 8 of article 2 the following:

"But nothing in this indenture contained shall be construed to prevent the Electric Company (a) From exchanging any public franchise held by it for another franchise giving it similar powers or privileges of operation, and which, in the opinion of the Electric Company, and of the trustee, shall be more favorable to the Electric Company than the franchise so surrendered; or, (b) From abandoning or transferring any franchise or privilege which, in the opinion of the Electric Company, and of the trustee, shall have become unnecessary or undesirable for the Electric Company's operation."

In the second place, it is proposed to eliminate all of Article 10, which empowers a certain per cent. of the bondholders to amend and modify the mortgage and deed of trust. The elimination of this article affords greater protection to the individual bondholder.

In the third place, it is proposed to substitute for the guaranty clause in Article XIV the following:

"The guarantor, in consideration of the issuance to said guarantor, at or before the execution of these presents, of ninety-seven (97) fully paid shares of the common stock, being all of the capital stock of the Electric Company except three (3) shares, agrees to guarantee, and does hereby guarantee, for itself, its successors and assigns, the prompt and punctual payment of the principal of, and the interest upon, all of the bonds to be issued hereunder, secured hereby."

The amendment eliminates the following conditions:

"Upon the express condition, however, that prior to, or contemporaneously with the execution of these presents, the ELECTRIC COMPANY has acquired a valid and unimpeachable title to, and the absolute and beneficial ownership of all the business, credits, franchises, choses in action, book accounts, book of account, corporate records, moneys, and other property and assets, real personal and mixed tangible and intangible of United Light and Power Company (of California), Central Light and Power Company, Consumers Light and Power Company, Equitable Light and Power Company, Southside Light and Power Company, and United Light and Power Company (of New Jersey), discharged from all liability for any of the debts or other obligations of said companies, and unincumbered save and except by the lien of the mortgage securing not to exceed one hundred thousand (100,000) dollars, face amount, of bonds of said Consumers Light and Power Company, and save and except the lien of the mortgage securing not to exceed one hundred and forty three thousand (143,000) dollars, face amount of bonds of said Central Oakland Light and Power Company; and upon further express condition, that at the time of the execution of these presents, the ELECTRIC COMPANY has no indebtedness and that its property is free from all liens and incumbrances, save and except the liens in this Article specified."

The purpose of this last amendment is to make the guaranty of Great Western Power Company fixed and definite, instead of contingent upon the performance of certain conditions

precedent.

We submit the following form of Order:

FOURTH SUPPLEMENTAL ORDER.

This Commission on July 13, 1915, (Decision No. 2596) having issued its third supplemental order in the above entitled matter authorizing Consolidated Electric Company, among other things, to execute a mortgage and deed of trust, and applicants now having requested authority to amend and modify said mortgage and deed of trust, as stated in the foregoing Fourth Supplemental Opinion,

IT IS HEREBY ORDERED that Consolidated Electric Company be granted authority, and it is hereby granted authority, to amend and modify the mortgage and deed of trust approved by this Commission July 13, 1915 (Decision No. 2596), as outlined in the foregoing Fourth Supplemental Opinion.

Dated at San Francisco, California, this  
day of July, 1915.

29th

Max Shuler  
Alex Gordon  
Edwin O. Edgerton

Commissioners.