

Decision No.       

ORIGINAL

Decision No. 3121

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

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In the Matter of the Application of )  
 SAN JOAQUIN LIGHT AND POWER CORPORATION )  
 for authority to execute and deliver to )  
 the Equitable Trust Company of New York )  
 a certain supplemental mortgage. )

ApplicationNo. 2072.

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BY THE COMMISSION.

OPINION

In this application SAN JOAQUIN LIGHT AND POWER CORPORATION asks for an order authorizing it to execute a supplemental mortgage.

This Commission by its Decision No. 2010, dated December 18, 1914, (Volume 5, Opinions and Orders of the Railroad Commission of California, page 916), authorized Selma Water Works, Madera Water Works, Madera Light and Power Company, Lemoore Light and Power Company and Bakersfield Gas and Electric Light Company to transfer and convey their property to San Joaquin Light and Power Corporation. All of the outstanding stock of the aforementioned companies, except shares of stock necessary to qualify directors are owned by the applicant herein. The order of the Commission provides that in consideration for said transfer, San Joaquin Light and Power Corporation shall cancel all of the capital stock of said corporations, except that a sufficient number of shares of the capital stock of Bakersfield Gas and Electric Light Company shall be retained to qualify directors. The corporate existence of the Bakers-

field Gas and Electric Light Company shall be maintained until such time as its bonded indebtedness has been paid.

The Commission further directed San Joaquin Light and Power Corporation to cause as soon as possible the dissolution of Selma Water Works, Lemoore Light and Power Company, Madera Water Works, and Madera Light and Power Company. All of the outstanding stock of these companies, excepting directors' shares, is owned by San Joaquin Light and Power Corporation and is covered by the lien of its first and refunding mortgage. The mortgage contains the usual after-acquired property clause. However, the trustee, Equitable Trust Company of New York, has called upon the applicant to execute a supplemental mortgage for the purpose of expressly and specifically subjecting the property acquired from Selma Water Works, Lemoore Light and Power Company, Madera Water Works and Madera Light and Power Company to the lien of the first and refunding mortgage.

The supplemental mortgage, dated December 31, 1915, is to be executed to Lyman Rhoades of New York City, trustee. It recites that the Equitable Trust Company of New York requires a supplemental mortgage to be executed to said Lyman Rhoades. After giving a description of the property, the instrument recites that the property conveyed to said Lyman Rhoades is to be held --

"IN TRUST NEVERTHELESS, for the uses and purposes set forth in said First and Refunding Mortgage, and subject to and upon each and all of the trusts, conditions and powers expressed and declared in said First and Refunding Mortgage.

It is the intention of the parties hereto that the lien of this Supplemental Mortgage upon the property hereinbefore described shall be on a parity, in all respects, with that of the said First and Refunding Mortgage, and shall be superior to that certain mortgage executed and delivered by the Corporation to Lyman Rhoades, and bearing date the 31st day of December, 1915, to secure coupons representing additional interest upon certain bonds theretofore issued under said First and Refunding Mortgage, and known as "Series B" bonds."

We are of the opinion that this application should be granted and herewith submit the following form of order.

O R D E R.

SAN JOAQUIN LIGHT AND POWER CORPORATION having applied to this Commission for an order authorizing it to execute a supplemental mortgage in substantially the same form and tenor as the supplemental mortgage attached to the application herein and marked Exhibit "A",

And Good Cause Appearing,

IT IS HEREBY ORDERED that San Joaquin Light and Power Corporation be given, and it is hereby given, authority to execute to Lyman Rhoades, trustee, a supplemental mortgage substantially in the same form and tenor as the supplemental mortgage attached to the application herein and marked Exhibit "A".

The approval herein given of said supplemental mortgage is for the purpose of this proceeding only and an approval insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage as to any other legal requirements, to which said mortgage may be subject.

Dated at San Francisco, California, this 24<sup>th</sup>  
day of February, 1916.

A. J. Boulard  
W. J. Gordon  
Edwin O. Edgerton  
Frank R. Smith

Commissioners.