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Decision No. 8771.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the Matter of the Application of)
SAN JOAQUIN LIGHT AND POWER CORPORATION)
for an order authorizing it to pledge)
bonds as security for notes.)

Supplement to
Application
No. 6572.

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER.

WHEREAS, the Railroad Commission by Decision No. 8716, dated March 9, 1921, authorized SAN JOAQUIN LIGHT AND POWER CORPORATION to issue and sell \$7,000,000.00 of 7 per cent unifying and refunding mortgage bonds or interim certificates of a like amount, subject among others, to the condition that none of the proceeds be expended until the Commission has authorized the execution of the mortgage or trust deed securing the payment of said bonds; and

WHEREAS, the Railroad Commission in said Decision No. 8716, dated May 9, 1921, also authorized applicant to deposit with a trustee under the unifying and refunding mortgage, when its execution is authorized by the Commission, \$2,625,000.00 of first and refunding mortgage bonds, which the Commission in Decision No. 8668, dated February 24, 1921, authorized to be issued and deposited as collateral to secure the payment of short term notes; and

WHEREAS, applicant reports that it has opened negotiations with The Equitable Trust Company of New York, which company is to be trustee under applicant's proposed unifying and refunding mortgage and which is the depository named in the interim certificates being issued pending the delivery of the unifying and refunding mortgage bonds, for the establishment of a credit of \$3,000,000.00 conditioned upon the

deposit with said The Equitable Trust Company of New York of first and refunding mortgage bonds having an aggregate face value of not less than 75 per cent of the amount advanced by the depository; and

WHEREAS, applicant asks permission to use the \$2,625,000.00 of first and refunding mortgage bonds mentioned above, together with \$1,125,000 of additional first and refunding mortgage bonds, making a grand total of \$3,750,000.00 as collateral to secure the loan from The Equitable Trust Company of New York; and

IT APPEARING to the Railroad Commission that applicant should at this time be permitted to deposit the \$2,625,000.00 of bonds with The Equitable Trust Company of New York, but that the authority to issue and deposit the additional \$1,125,000.00 of first and refunding mortgage bonds should be covered by a supplemental order or orders after a proper showing is made by applicant justifying the issue and deposit of said \$1,125,000.00 of bonds;

NOW, THEREFORE, IT IS HEREBY ORDERED, that the order in Decision No. 8716, dated March 9, 1921, be, and it is hereby, amended and modified so as to permit SAN JOAQUIN LIGHT AND POWER CORPORATION to deposit the \$2,375,000.00 of first and refunding mortgage bonds referred to in said order with The Equitable Trust Company of New York,

PROVIDED THAT applicant is given a loan of at least \$750.00 for every \$1,000.00 bond deposited; and

PROVIDED FURTHER THAT upon the payment of the notes secured by the deposit of bonds herein authorized, said bonds be returned to applicant's treasury and used for the purpose authorized in Decision No. 8716, dated March 9, 1921, or for such other purpose as the Railroad Commission may authorize; and

PROVIDED FURTHER THAT applicant will use the

moneys obtained through the deposit of the bonds to pay

- 1.--The loans secured by the \$2,375,000.00 of first and refunding mortgage bonds, the issue of which was authorized by Decision No. 8668, dated February 24, 1921; and
- 2.--To finance in part the expenditures reported in Exhibit "B" filed in this application, provided the expenditures so financed represent fixed capital as defined by the Commission in its classification of accounts for electric corporations.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 8716, dated March 9, 1921, shall remain in full force and effect, except as modified by this First Supplemental Order.

Dated at San Francisco, California, this 19th day of March, 1921.

Frank P. Delveci
H. H. Hubbard
Irving Martin

Secretary.