

Decision No. 22730

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA-PACIFIC UTILITIES COMPANY and C. H. BRIDGES, G. H. TAYLOR and J.A. PARDEE, as Trustees, for an order authorizing California-Pacific Utilities Company to renew for a period of five years from June 4, 1939, and upon the terms and conditions herein set forth, that certain promissory note of California Utilities Company dated June 4, 1930, in the original principal sum of \$100,000, payable on or before five years after date and having a principal balance of \$88,000 and bearing interest at the rate of 6% per annum, payable semiannually, and secured by that certain mortgage of even date therewith covering the property herein described.

ORIGINAL

Application No. 22730

BY THE COMMISSION:

OPINION AND ORDER

California-Pacific Utilities Company, a corporation, has applied to the Railroad Commission for an order authorizing it to renew for a period of five years from June 4, 1939, an outstanding five year six per cent. promissory note dated June 4, 1930 in the amount of \$88,000, being the unpaid balance of a note in the original amount of \$100,000.

Heretofore, under authorization granted by Decision No. 22472, dated May 23, 1930, in Application No. 16503, California Utilities Company acquired a public utility water distributing system in Susanville and issued to Frank P. Cady and L. R. Cady, in part payment therefor, its note dated June 4, 1930, in the principal amount of \$100,000, payable on or before five years from the date of issue with interest at the rate of six per cent. per annum and secured by a mortgage, as of the same date, covering the properties so acquired.

It is reported that L. R. Cady assigned his interest in the note and mortgage to Frank R. Cady who, in turn, assigned said note and mortgage to C.H.Bridges, G. H. Taylor and J. A. Pardee, as trustees. Up to the present, \$12,000 has been paid on the principal of the note , leaving \$88,000 unpaid and now past due.

By an agreement of merger, effective October 29, 1938, California Utilities Company, the original maker of the \$100,000 note, merged with and into California-Pacific Utilities Company, the latter thus acquiring the water system in Susanville, subject, however, to the lien of the mortgage, dated June 4, 1930, securing the payment of said note or of any unpaid balance.

It appears that the statute of limitations will run against the note, herein referred to, unless renewed on June 4, 1939. Arrangements accordingly have been made for its renewal and in an "Agreement of Renewal", a copy of which has been filed with the application as Exhibit B, the parties to the note have agreed as follows:-

"1. Said promissory note dated June 4, 1930 is hereby extended for a period of five years from June 4, 1939, viz., to June 4, 1944, and California-Pacific Utilities Company agrees to pay the unpaid principal balance of said promissory note, viz., \$88,000, on or before June 4, 1944, and to pay interest thereon at the rate of six per cent. (6%) per annum semi-annually.

"2. California-Pacific Utilities Company, without the payment of any bonus therefor, shall have the right from time to time to prepay any part or parts, and at any time to prepay all, of the unpaid principal balance of said promissory note, prior to the maturity date thereof as extended hereby, viz., June 4, 1944.

"3. Said mortgage dated June 4, 1930 shall continue as security for the payment of said promissory note dated June 4, 1930, as renewed hereby."

The Commission has considered this application and is of the opinion that a public hearing is not necessary, that the request of applicant should be granted, that the money, property or labor

to be procured or paid for through the renewal of said note is reasonably required by applicant for the purpose of paying the balance due on said note, therefore,

IT IS HEREBY ORDERED that California-Pacific Utilities Company be, and it hereby is, authorized to renew for a period of five years from June 4, 1939, and upon the terms and conditions set forth above, that certain promissory note of California Utilities Company, dated June 4, 1930, in the original principal sum of \$100,000, payable on or before five years after date and having a principal balance of \$88,000 and bearing interest at the rate of six per cent. per annum, payable semi-annually, and secured by that certain mortgage mentioned herein.

IT IS HEREBY FURTHER ORDERED that, within thirty(30) days after the execution of the "Agreement of Renewal" filed in this proceeding as Exhibit B, California-Pacific Utilities Company shall file with the Commission a certified copy thereof.

DATED at San Francisco, California, this 23<sup>d</sup> day of May, 1939.

Raymond J. ...  
Frank ...  
Carl ...  
H. ...  
Justus J. ...  
COMMISSIONERS.