

Decision No. 34811

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Swarthout Valley Water Company for
permission to amend 10-year, 4%
promissory note secured by Chattel
Mortgage and Deed of Trust.

Application No. 245807

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

Swarthout Valley Water Company, a corporation, applicant herein, is engaged in the business of owning, maintaining and operating certain water properties located in Swarthout Valley, in Los Angeles and San Bernardino Counties.

By Decision No. 30255, dated October 18, 1937, the Commission, among other things, authorized the company to execute a mortgage of chattels and a deed of trust, with assignments of rents, and to issue a note in the principal amount of \$45,000 for the purpose of paying in part for certain water properties. The note by its terms was payable in annual installments of \$1,500 on the thirtieth day of November of each of the years 1938 to 1942; inclusive; in annual installments of \$2,500 on the thirtieth day of November of each of the years 1943 to 1946, inclusive; and in the amount of \$27,500 on November 30, 1947, with interest at the rate of 4% per annum. The company has reduced the principal amount of the note to \$34,500.

The company now desires to refinance the indebtedness so as to extend the time for payment of the remaining balance

and to reduce the payment due upon final maturity. Accordingly, it has arranged with Security-First National Bank of Los Angeles, the holder of the present note, for the issue of a new note in the amount of \$34,500, with interest on the unpaid principal at the rate of 4% per annum, payable semi-annually, and the principal payable in installments of \$2,000, or more, on the first day of December of each of the years 1942 to 1950, inclusive, and in the amount of \$16,500 on December 1, 1951.

The payment of the new note will be secured by a mortgage of chattels and a deed of trust which will be a lien on all of applicant's real and personal properties. Copies of the proposed instruments and of the note are on file in this proceeding.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary; that the request of the company should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore

IT IS HEREBY ORDERED as follows:

1. Swarthout Valley Water Company may execute a mortgage of chattels and a deed of trust in, or substantially in, the same form as those attached to the original petition in this proceeding.

2. Swarthout Valley Water Company may, on or before December 31, 1941, issue its promissory note in the principal amount of \$34,500 in, or substantially in, the same form as the

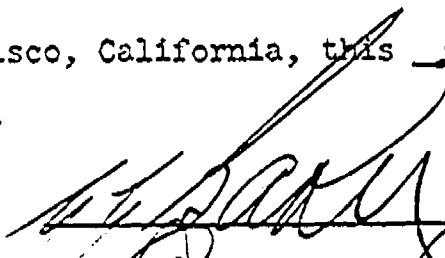
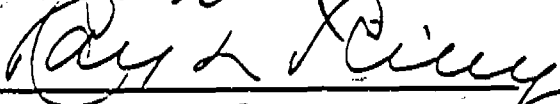
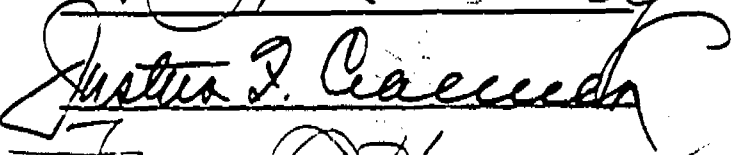
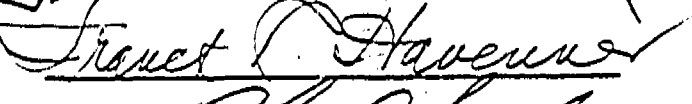

note filed in this proceeding, for the purpose of refunding the note for like amount now outstanding, heretofore issued under authority granted by Decision No. 30255, dated October 18, 1937.

3. The authority herein granted to execute a mortgage of chattels and a deed of trust is granted for the purpose of this proceeding only and is given only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said instruments as to such other legal requirements to which they may be subject.

4. Swarthout Valley Water Company, within thirty (30) days after the issue of the note herein authorized, shall file with the Commission a report as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted shall become effective upon the date hereof.

Dated at San Francisco, California, this 2nd day of December, 1941.






Commissioners