

**ORIGINAL**

Decision No. 47454

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of	)	
	:	
ENES WATER COMPANY	)	
a California Corporation	:	Application
	:	No. 33472
for an order authorizing the issuance	:	(First Supplemental)
of an unsecured refunding note.	)	
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FIRST SUPPLEMENTAL ORDER

By Decision No. 47268, dated June 17, 1952; the Commission authorized Enes Water Company to issue an unsecured note in the principal amount of \$58,000, payable one year after its date with interest at a rate of not to exceed 6% per annum, for the purpose of refunding outstanding indebtedness.

In its first supplemental application filed on June 28, 1952, applicant reports that it proposes to enter into a loan agreement with Bank of America National Trust and Savings Association whereby said bank will advance to it not only the \$58,000 to which reference has been made, but an additional loan, or loans, in an aggregate amount of not in excess of \$32,000, such advances to be represented by a note, or notes, due on the date of maturity of the \$58,000 note. All notes, including the one for \$58,000, will bear interest at the rate of 5½% per annum.

The additional \$32,000 loan, according to the loan agreement, will be used for the purpose of constructing a new reservoir and to pay incidental expenses. The issue of notes representing the additional loan of \$32,000 need not be authorized by the Commission, inasmuch as such loan will run for a period of one year and will not be made for refunding purposes.

Under the terms of the loan agreement the principal stockholders of applicant will execute a continuing guarantee of the indebtedness of applicant to the bank, together with a pledge agreement covering all of the outstanding shares of stock of applicant owned by them and an agreement whereby they subordinate all amounts owed by applicant to them to the proposed loan from the bank.

The Commission has considered this supplemental application and is of the opinion that it should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED that the order in Decision No. 47268, dated June 17, 1952, is amended so as to permit Enes Water Company to execute a loan agreement, in substantially the same form as that filed with the first supplemental application in this proceeding, and to issue the \$58,000 note authorized by said decision under and pursuant to the terms of said loan agreement.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of July, 1952.

*[Signature]*  
 President  
*Harold P. Kula*  
*[Signature]*  
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 Commissioners