

ORIGINAL

Decision No. 47948

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
 DEL ESTE WATER COMPANY,)
 a corporation,)
 for authorization to execute a)
 promissory note, and as security for)
 the payment of the same to execute)
 a mortgage of chattels and real)
 property affecting all its personal)
 and real property, except automotive)
 equipment and other specified items.)
 -----)

Application
 No. 32149
 (First Supplemental)

FIRST SUPPLEMENTAL ORDER

By Decision No. 45412, dated March 6, 1951, the Commission authorized Del Este Water Company to execute a mortgage of chattels and real property and to issue a promissory note in the principal amount of \$400,000 pursuant to the terms of a loan agreement with Pacific Mutual Life Insurance Company.

The mortgage securing the payment of the note provided, among other things, that applicant would maintain its current assets at all times in an amount at least equal to its current liabilities, the term current liabilities including all obligations due within one year and federal income and state taxes accrued and accruing, as well as the annual payments of principal and interest to be made on said note and on any other promissory notes evidencing indebtedness secured by said mortgage.

In its first supplemental application filed in this proceeding, applicant reports that in order to finance needed extensions and replacements of its facilities it desires to obtain short-term loans from one or more banks in an aggregate principal amount of not exceeding \$100,000, but that such loans will cause its current liabilities to exceed its current assets. It reports that Pacific Mutual Life Insurance Company, the mortgagee, is willing to modify the terms of

the mortgage so as to permit such borrowings. Accordingly, applicant requests authorization to execute a first supplemental indenture which will provide that there will be excluded from the term current liabilities during the period commencing November 15, 1952, and ending December 31, 1953, bank loans in an aggregate principal amount of not exceeding \$100,000 which, by their terms, are due and payable in one year from the date of the same. It has filed a copy of the proposed instrument and has requested the Commission to make a supplemental order authorizing its execution.

The Commission has considered this matter and is of the opinion that applicant's request should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Del Este Water Company, on or after the date hereof and on or before March 31, 1953, may execute a first supplemental indenture supplementing its mortgage of chattels and real property, which first supplemental indenture shall be in, or substantially in, the same form as that filed as Exhibit 1 with the first supplemental application in this proceeding.

2. This first supplemental order will become effective upon the date hereof.

Dated at San Francisco, California, this 25th day of November, 1952.

[Signature]
President
Justin F. Carver
Harold A. Hale
[Signature]
[Signature]
Commissioners