

Decision No. 56875

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
WASHINGTON WATER AND LIGHT COMPANY	:	
for an Order authorizing it (a) to	)	
execute a Fifth Supplemental Indenture	:	
supplemental to its Mortgage of Chattels	)	
and Real Property dated as of November 15,	:	Application
1949, and (b) to execute an agreement	)	No. 40146
amending its promissory notes heretofore	:	
issued to Pacific Mutual Life Insurance	)	
Company.	:	
-----	)	

OPINION AND ORDER

Washington Water and Light Company has filed this application for authorization to execute a supplemental indenture and to execute an agreement amending outstanding promissory notes.

Under authorization heretofore granted by the Commission, applicant executed a mortgage, together with four supplements thereto, and issued to Pacific Mutual Life Insurance Company a 4% note in the original principal amount of \$225,000 and a 5% note in the original principal amount of \$70,000, which notes since have been reduced to \$143,000 and \$62,500, respectively. Under the terms of the notes, the utility is required to pay, on account of the principal, the sum of \$7,500 a year.

In order to provide funds needed for the extension and improvement of its facilities, applicant has undertaken to make arrangements with the insurance company for modifications of the terms of the two notes so as to provide for principal payments aggregating \$5,000 in each year until final maturity, with an increase to 4-1/2% in the annual interest rate on the unpaid

principal of the \$225,000 note. The proposed modifications will be accomplished by a fifth supplemental indenture and an agreement amending promissory notes.




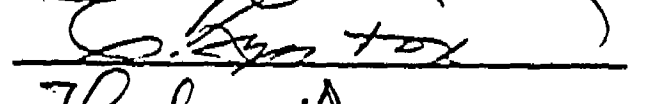

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the execution of the agreement amending promissory notes herein authorized is reasonably required by applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Washington Water and Light Company may execute a supplemental indenture and may execute an agreement amending promissory notes now in the aggregate principal amounts of \$205,500, for the purpose set forth in this proceeding, which indenture and agreement shall be in, or substantially in, the same form as those attached to the application as Exhibit B and Exhibit C, respectively.

2. The authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 24<sup>th</sup> day of JUNE, 1958.

  
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President  
  
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Commissioners