

Decision No. 28815

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CALIFORNIA WATER SERVICE COMPANY,)
a corporation, for an order authoriz-)
ing it to issue bonds and serial notes)
and to mortgage its properties.)

Application No. 20497

ORIGINAL

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

The Commission by Decision No. 28798 dated May 11, 1936 amended its order in Decision No. 28793 dated May 4, 1936, and provided by said Decision No. 28798 that the authority therein granted would not become effective until the Commission has authorized California Water Service Company to execute a supplemental mortgage of chattels and trust indenture pertaining to its first mortgage Series B bonds.

The California Water Service Company on May 14th filed with the Commission a revised copy of its proposed supplemental mortgage of chattels and trust indenture (Exhibit A-1) pertaining to its first mortgage Series B bonds, and a copy of its trust indenture (Exhibit B-1) pertaining to its serial notes.

The supplemental mortgage of chattels and trust indenture provides that the Series B bonds may, at the election of the company, be redeemed at any time at their principal amount plus interest accrued to the date fixed for redemption plus a premium which shall be as follows:- 10% of the principal amount if the date of redemption is on or before April 30, 1937; 9 $\frac{1}{2}$ % of the principal amount if the date of redemption is after April 30, 1937 and on or before April 30, 1938; thereafter, 9% of the principal amount less $\frac{1}{3}$ of 1% thereof for each full year which shall have elapsed between April 30, 1938 and the date of redemption until May 1, 1950; then and there-

after 5% of the principal amount less 1/2 of 1% thereof for each full year which shall have elapsed between April 30, 1950, and the date of redemption until May 1, 1960; then and thereafter to and including maturity at par. In case of the redemption of the bonds out of the proceeds of the sale of any capital assets of the company or out of the proceeds of any award or payment made for compensation for the condemnation or taking up the exercise of power of eminent domain of any such capital assets or in case of the redemption of the bonds as part of the complete liquidation of the company, whether voluntary or involuntary, the redemption premium shall be 5% of the principal amount if the date of redemption is on or before April 30, 1941; thereafter 5% less 1/4 of 1% for each full year which shall have elapsed between April 30, 1940 and the date of redemption until May 1, 1960 and thereafter at par.

We have considered applicant's proposed supplemental mortgage of chattels and trust indenture and find the same to be in satisfactory form, except we believe that the prices which the company must pay in the event that it elects to redeem its Series B bonds with funds obtained from sources other than the sale of any capital assets should be as follows:-

<u>From</u>	<u>To</u>	
May 1, 1936	April 30, 1938	107½ and accrued interest
May 1, 1938	April 30, 1940	107 and accrued interest
May 1, 1940	April 30, 1942	106½ and accrued interest
May 1, 1942	April 30, 1944	106 and accrued interest
May 1, 1944	April 30, 1946	105½ and accrued interest
May 1, 1946	April 30, 1947	105 and accrued interest
May 1, 1947	April 30, 1948	104½ and accrued interest
May 1, 1948	April 30, 1949	104 and accrued interest
May 1, 1949	April 30, 1950	103½ and accrued interest
May 1, 1950	April 30, 1952	103 and accrued interest
May 1, 1952	April 30, 1960	1/3 of 1% off each year
No premium after April 30, 1960.		

The trust indenture pertaining to the company's serial notes is in satisfactory form.

IT IS HEREBY ORDERED that the order in Decision No. 28793 dated May 4, 1936 be, and the same is hereby, amended so as to permit California Water Service Company to execute on or before September 1, 1936 a supplemental mortgage of chattels and trust indenture substantially in the same form as that filed in this proceeding as Exhibit A-1 on May 14, 1936 pertaining to its first mortgage bonds, provided such indenture is changed, as indicated in this second supplemental order, and to execute a trust indenture substantially in the same form as that filed in this proceeding as Exhibit B-1 pertaining to its serial notes on file on May 14, 1936, provided that the authority herein granted to execute said indentures is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said trust indentures as to such other legal requirements to which they may be subject.

IT IS HEREBY FURTHER ORDERED that within thirty(30) days after the execution of the said supplemental mortgage of chattels and trust indenture pertaining to the company's first mortgage bonds, and the said trust indenture pertaining to the company's serial notes, California Water Service Company shall file with the Commission two certified copies of each of said trust indentures.

DATED at San Francisco, California, this 18th day of May, 1936.

M. B. Lewis
Leon Whittell
W. D. Cunn
W. H. Cunn
Frank Roberts