

LEM

Decision No. 28431

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN CALIFORNIA WATER COMPANY,)
 (formerly American States Water Ser-)
 vice Company of California) for an)
 Order authorizing it to execute and)
 deliver a Supplemental Trust Inden-)
 ture and to issue and deliver there-)
 under \$3,400,000. principal amount)
 of its First Mortgage Bonds Series B)
 4½% in substitution for and in place)
 of a like principal amount of its)
 Series A Bonds.)

Application No. 20272

ORIGINAL

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

The Railroad Commission has been asked to make an order authorizing Southern California Water Company to execute a supplemental trust indenture dated as of October 1, 1936 and to issue and deliver \$3,400,000. of its First Mortgage 4½% Bonds Series of 1960 in place of the First Mortgage Bonds Series A 4½%, heretofore authorized by the Commission.

The record in the above numbered proceeding shows that the Commission by Decision No. 28457, dated December 21, 1935, as amended by Decision No. 28603, dated February 27, 1936, authorized applicant (then known as American States Water Service Company of California) among other things, to execute a trust indenture and a supplemental trust indenture, substantially in the same form as the trust indenture and supplemental trust indenture filed in this proceeding as Exhibit No. 1, and to issue at not less than par \$3,400,000. of First Mortgage Bonds, Series A 4½%, due October 1, 1960 and to use said bonds for the purpose of paying indebtedness.

Applicant reports that under the authority granted by the Commission it did make, execute and deliver to Bank of America National Trust and Savings Association, Trustee, its trust indenture and sup-

plemental trust indenture, each dated as of October 1, 1935, and that it did execute, issue and deliver to the trustee said \$3,400,000. of bonds with instructions that said bonds should be exchanged for and in cancellation and extinguishment of the indebtedness referred to in the Commission's previous decision.

It appears that all of such indebtedness was due American States Public Service Company, a Delaware corporation, the holder of all of applicant's outstanding stock, which corporation was and still is in the process of reorganization under Section 77-b of the Bankruptcy Act. It was contemplated that the United States District Court would make its order authorizing said American States Public Service Company to accept the Series A bonds in exchange for and in cancellation of indebtedness but it develops that said court in making its order required certain terms and conditions to be inserted in the bonds varying from the form of the Series A bond heretofore approved by this Commission. Such variations in form, it is reported, relate to conditions upon which the bonds may be redeemed and the rights of the holders thereof to certain refunds for taxes imposed by certain of the states.

In order for applicant to comply with the requirements of the court it is necessary for it to execute a new supplemental indenture to issue new bonds in substitution for and in place of the bonds heretofore issued by it and delivered to the trustee. A form of the proposed supplemental indenture, containing the form of the proposed new bond, has been filed with the Commission in this matter on December 28, 1936.

The Commission has considered this matter and is of the opinion that it should enter its order at this time granting the company's requests, as provided herein, therefore,

IT IS HEREBY ORDERED that Southern California Water Company be and it hereby is authorized to make, execute and deliver its supplemental trust indenture, dated as of October 1, 1936, in or substantially in the same form as that filed with the Commission on December 28, 1936, provided that the authority herein granted 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 supplemental trust indenture as to such other requirements to which it may be subject; and provided further that applicant shall file with the Commission within thirty(30) days after the execution of said supplemental trust indenture, two certified copies thereof as actually executed.

IT IS HEREBY FURTHER ORDERED that Southern California Water Company be and it hereby is authorized to issue and deliver on or before March 31, 1937, not exceeding \$3,400,000. of its First Mortgage $4\frac{1}{2}\%$ bonds Series of 1960, in place of and in exchange for the \$3,400,000. of First Mortgage bonds Series A $4\frac{1}{2}\%$ heretofore issued under authority granted by said Decision No. 28457, as amended, provided that said Series A bonds be surrendered and cancelled.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 28457, dated December 21, 1935, as amended by Decision No. 28603, dated February 27, 1936, shall remain in full force and effect, except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 4th day of January, 1937.

William W. ...
Leon ...

James ...
Commissioners.