

Decision No. 20000

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAN GABRIEL VALLEY WATER SERVICE
to purchase, and Martin and Coold
Water Co. and J. M. Coold to sell
certain water producing and distri-
buting systems situated in the County
of Los Angeles, State of California;
and for authority of said San Gabriel
Valley Water Service to issue, sell
and deliver \$100,000. principal
amount of its first mortgage bonds
and to sell 7,000 shares of its capi-
tal stock.

Application No. 21034

BY THE COMMISSION:

THIRD SUPPLEMENTAL ORDER

The Commission by Decision No. 29687 dated April 20, 1937 in the above entitled matter, as amended by Decision No. 29767, dated May 17, 1937 authorized San Gabriel Valley Water Service to execute a trust indenture to secure the payment of its outstanding bonds.

The company on September 17, 1937 through its attorney, filed with the Commission a supplemental trust indenture dated August 19, 1937, modifying its trust indenture theretofore executed. The company in a supplemental petition filed on October 4, 1937, asks the Commission to approve said supplemental trust indenture qualified in the manner indicated in the agreement supplemental to the trust indenture of May 1, 1937, filed as Exhibit B.

The company in the agreement which it intends to execute with the Bank of America National Trust and Savings Association as trustee, waives the grace period of ninety days provided in its trust indenture in the event of default by it in payment of the principal of the bonds when due. The agreement further provides that the amount of bonds which the corporation may at any time issue under said indenture as consideration, in whole or in part, for plants and/or properties pur-

chased or acquired by the corporation, or to be purchased or acquired by the corporation, shall be limited to such amount as the Railroad Commission of the State of California, or other regulatory body having jurisdiction thereof, may authorize the corporation to issue for such purpose, not exceeding in any event the amount of bonds which the corporation might otherwise be entitled to issue in accordance with the express terms and provisions of said indenture, it being expressly understood and stipulated by the corporation that any statement or finding of value of such plants and/or properties in the opinion and order of said Commission authorizing the issuance of such bonds shall be only for the purpose of a determination by said Commission of the amount of bonds and/or other securities which may be issued by the corporation for such purpose, and not a determination of the price which the corporation may pay for such plants and/or properties.

Regardless of any language contained in said agreement or in applicant's trust indenture, the Commission reserves the right to determine in subsequent proceedings the amount of bonds which applicant may issue and the purposes for which said bonds may be issued.

The Commission has considered applicant's request and believes that, subject to the limitations contained in this supplemental order, such request should be granted, therefore,

IT IS HEREBY ORDERED that San Gabriel Valley Water Service be, and it is hereby, authorized to execute an agreement and amendments to its trust indenture substantially in the form of the agreement and amendments filed, on October 4, 1937, in this proceeding as Exhibit B, 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 agreement and amendments to its trust indenture as to such other legal requirements to which said agreement and amendments may be subject; and provided further that the Commission reserves the right to determine in subsequent proceedings the amount of bonds which applicant may issue and the purposes for which said bonds may be issued.

IT IS HEREBY FURTHER ORDERED that within sixty(60) days after the date hereof, applicant shall file with the Commission two copies of said agreement and amendments to its trust indenture.

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

Matthew H. Hume
Leon A. Hulse
James P. Newell
R. B. Beveridge
Ray & Riley
Commissioners.