

ORIGINAL

Decision No. 34307

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAN GABRIEL VALLEY WATER SERVICE,
a corporation,
For an Order to Issue and Sell Bonds

Application No. 24237

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

The Railroad Commission by its order in Decision No. 34307, dated June 17, 1941, authorizes San Gabriel Valley Water Service to execute a trust indenture subject to the terms and provisions of said order. Applicant's counsel has advised the Commission that applicant and the purchasers of applicant's bonds have agreed upon further changes in said trust indenture.

Applicant asks permission to modify the trust indenture in two particulars. It desires to amend the definition of "net income" in Article III, Section 6 of said trust indenture. The term "net income" is now defined as follows:

"The term 'net income' as used in this Section 6 of this indenture, is hereby defined to be the gross earnings received by the Corporation from all sources, less operating expenses, including depreciation at rates not less than those approved by the Railroad Commission of the State of California, taxes, and interest on all indebtedness, other than interest on the bonds secured hereby. If holders of a majority

in principal amount of the bonds shall have at any time expressed to the Corporation disapproval of the depreciation policy of the Corporation, then the certificate of the Corporation to be filed with the Trustee under this subparagraph (b) shall state that such depreciation policy has been adjusted to conform with the opinion of such bondholders and that the charges to depreciation shown in such certificate are in accord with such adjusted policy. If holders of a majority in principal amount of the bonds shall not have at any time expressed such disapproval, then such certificate shall so state."

Applicant asks permission to amend said definition of "net income" to read as follows:

"The term 'net income' as used in this Section 6 of this indenture, is hereby defined to be the gross earnings received by the Corporation from all sources, less operating expenses, including depreciation, taxes, and interest on all indebtedness other than interest on the bonds secured hereby."

Applicant further asks permission to amend the third paragraph of Section 12 of Article V, which paragraph now reads:

"The Corporation covenants that its accounting system and rates of depreciation for the Corporation's depreciable properties will be maintained at all times satisfactory to the holders of a majority in amount of the bonds then outstanding. The Trustee shall not be required to ascertain whether the Corporation's accounting system or the Corporation's rates of depreciation for the Corporation's depreciable properties are satisfactory to the holders of a majority in amount of the bonds then outstanding."

so as to read:

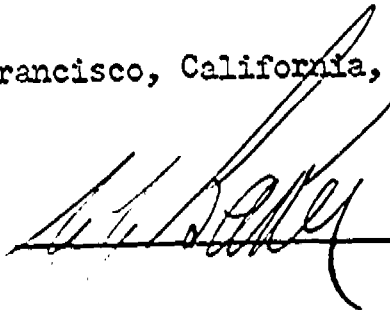
"The Corporation covenants that its charges to operating expenses and/or income on account of accruing depreciation and its credit to depreciation reserve shall not be less than those recommended, computed or ordered by the Railroad Commission of the State of California."

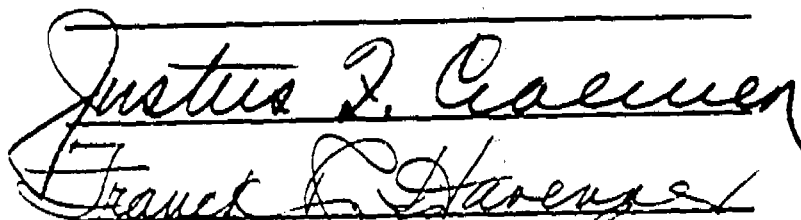
The Commission has considered the proposed amendments to said trust indenture and has no objections to the same, therefore,

IT IS HEREBY ORDERED that the order in said Decision No. 34307, dated June 17, 1941, be, and the same is, hereby amended so as to permit San Gabriel Valley Water Service to make the changes in its trust indenture set forth in this First Supplemental Order.

IT IS HEREBY FURTHER ORDERED that the order in said Decision No. 34307, dated June 17, 1941, shall remain in full force and effect except as modified by this First Supplemental Order.

Dated at San Francisco, California, this 21st day of July, 1941.









Commissioners.