

Decision No. 37308

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA-PACIFIC UTILITIES COMPANY

for an order authorizing it (a) to assume \$309,000 principal amount of bonds of Western States Utilities Company; (b) to incur temporary indebtedness in the amount of \$225,000; (c) to make, execute and deliver its new Trust Indenture to be dated as of July 1, 1944, to Bank of America National Trust and Savings Association and William C. Koenig, as Trustees; and (d) to issue and sell \$1,600,000 principal amount of its First Mortgage Bonds, Series A, 3-1/2%, due 1969.

ORIGINAL

Application
No. 26199

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

The Railroad Commission by Decision No. 37221, dated July 24, 1944, authorized California-Pacific Utilities Company to issue and sell at not less than 103% of their face value and accrued interest \$1,600,000 of first mortgage bonds, Series A, 3½%, due July 1, 1969, subject among others, to the condition that the authority so granted would not become effective until the Railroad Commission authorized California-Pacific Utilities Company to execute a trust indenture to secure the payment of said bonds. On August 18, 1944, California-Pacific Utilities Company filed with the Railroad Commission a revised copy of its proposed first mortgage indenture and in a supplemental application filed on the same day asks permission to execute the same.

The indenture, if executed, will secure payment of not only said \$1,600,000 of bonds but such additional bonds as may from time to time be issued under the terms of the indenture.

In the indenture the company reserves the right, upon giving the required notice, to redeem prior to maturity at its option said \$1,600,000 of bonds, as a whole at any time or in part from time to time, upon payment of the principal amount thereof and accrued interest thereon to the date fixed for the redemption thereof, plus a premium of 6% of the principal amount if redeemed on or before June 30, 1945, and if redeemed after June 30, 1945, and before maturity plus a premium of 6% of the principal amount less $\frac{1}{4}$ of 1% thereof for each year or fraction of a year elapsed after June 30, 1945, to the date of redemption. The indenture further provides that Series A bonds may be redeemed through the operation of the sinking fund, the maintenance or replacement fund, or with money deposited with the trustee in connection with the sale of the mortgage properties to any governmental body or agency or to any purchaser designated by a governmental body or agency, upon the payment of the following percentages of the principal amount thereof:

103% if redeemed on or before June 30, 1947,
 thereafter and on or before June 30, 1950, at 102- $\frac{3}{4}$ %,
 thereafter and on or before June 30, 1953, at 102 $\frac{1}{2}$ %,
 thereafter and on or before June 30, 1955, at 102 $\frac{1}{4}$ %,
 thereafter and on or before June 30, 1957, at 102%,
 thereafter and on or before June 30, 1959, at 101- $\frac{3}{4}$ %,
 thereafter and on or before June 30, 1961, at 101 $\frac{1}{2}$ %,
 thereafter and on or before June 30, 1963, at 101 $\frac{1}{4}$ %,
 thereafter and on or before June 30, 1965, at 101%,
 thereafter and on or before June 30, 1966, at 100- $\frac{3}{4}$ %,

thereafter and on or before June 30, 1967, at 100½%,
thereafter and on or before June 30, 1968, at 100¼%,
and thereafter at 100%, together in any case with interest
accrued thereon to the date of redemption.

The company covenants that, so long as any of the Bonds
of Series A remain outstanding, it will not (a) declare or pay
any dividend or make any distribution on any shares of any class
of its capital stock (other than dividends payable in shares of
the Company), or (b) purchase, acquire or otherwise retire for a
consideration any shares of any class of its capital stock
(other than from the proceeds of new stock financing) except out
of (i) net income of the Company available for such dividends,
distributions or retirements, accumulated after December 31,
1943, plus (ii) \$100,000 of surplus accumulated prior to January
1, 1944.

Reference is made to the indenture for other terms and
conditions under which the company's bonds are issued.

The Commission has considered applicant's request for
permission to execute a trust indenture and is of the opinion
that such request should be granted, therefore,

IT IS HEREBY ORDERED that California-Pacific Utilities
Company be, and is hereby, authorized to execute a first mortgage
indenture in substantially the same form as the first mortgage
indenture filed in this proceeding on August 18, 1944.

IT IS HEREBY FURTHER ORDERED that within thirty (30)
days after the execution of said first mortgage indenture
California-Pacific Utilities Company shall file with the Rail-
road Commission two certified copies of the first mortgage in-
denture executed under the authority herein granted.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is effective upon the date hereof.

Dated at San Francisco, California, this 29th day of August, 1944.

Richard Lusk
Justin Z. Coe
Frank D. Havens
Francis Coe
James D. Coe
 Commissioners