

Decision No. 40256

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA WATER COMPANY)
for order or orders authorizing the)
issuance of bonds and the mortgag-)
ing of property.)

Application
No. 28311

SECOND SUPPLEMENTAL ORDER

The Commission, by Decision No. 40193, dated April 22, 1947, as amended by Decision No. 40199, dated April 25, 1947, authorized Southern California Water Company, among other things, to issue and sell \$5,100,000 principal amount of its First Mortgage Bonds, _____% Series due 1977, and to execute an indenture (a first mortgage) as security for said bonds, such authority to sell said bonds to become effective when the Commission shall have entered a supplemental order fixing the price at which Southern California Water Company may sell said bonds and when said Company shall have paid the fee prescribed by Section 57 of the Public Utilities Act. Applicant has paid said fee.

By its supplemental application filed today Applicant has advised the Commission that it has duly published its invitation for sealed written bids for the purchase of said bonds and that Applicant accepted the bid of Blyth & Co., Inc., which bid fixed 2-7/8% per annum as the interest rate on the bonds and 102.08% of principal of the bonds, plus interest thereon from May 1, 1947 to the date of payment and delivery, as the purchase price of the bonds. Applicant asks permission to sell said bonds at that price.

With its said supplemental application Applicant filed the proposed final form of the trust indenture to secure the payment of said bonds and requests the Commission to approve said indenture in said form. The redemption prices will be inserted in said trust indenture prior to its execution.

In said supplemental application Southern California Water Company reports that pending the sale of said bonds said Company borrowed from California Bank the sum of \$150,000 (with interest at $1\frac{1}{2}\%$ per annum) for application toward the expense of its 1947 construction program. It requests that the order in said Decision No. 40193 be amended so as expressly to authorize Southern California Water Company to apply the proceeds realized from the sale of said bonds to the discharge and satisfaction of the obligation represented by the principal of said loan.

The Commission, having considered Applicant's requests and believing that the same should be granted, and being of the opinion that the money, property or labor to be procured or paid for by the issue of said \$5,100,000 of bonds is reasonably required by said Southern California Water Company for the purposes specified in Paragraph 2 of the order in said Decision No. 40193, as amended by this Second Supplemental Order, which purposes, other than the payment of accrued interest and bond sale expenses and premium, are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Southern California Water Company may issue and sell \$5,100,000 principal amount of its First Mortgage Bonds, $2-7/8\%$ Series due 1977, at 102.08% of the principal amount thereof plus interest accrued thereon from May 1, 1947, to the date

of payment and delivery.

IT IS FURTHER HEREBY ORDERED that Paragraph 2 of the order in said Decision No. 40193 is hereby amended to read as follows:

"2. Southern California Water Company shall use the proceeds, other than the accrued interest, derived from the issue and sale of said bonds for the following purposes:

(a) To redeem its outstanding Series A and Series B bonds, entailing an expenditure of approximately \$3,959,515.

(b) To pay expenses incident to the issue and sale of said \$5,100,000 of bonds - - approximately \$73,000.

(c) To discharge and payment of the principal of a loan of \$150,000 from California Bank.

(d) Proceeds from the sale of said bonds not used for the aforesaid purposes shall be used by Southern California Water Company to pay in part the cost of the proposed capital expenditures set forth in Exhibit "C" on file in this application, or to reimburse Applicant's treasury because of income used for said purposes.

(e) The accrued interest may be used by Applicant for general corporate purposes."

IT IS FURTHER HEREBY ORDERED that the indenture referred to in Paragraph 5 of the order in said Decision No. 40193 may be in, or substantially in, the same form as the indenture filed as Exhibit A with said supplemental application.

IT IS HEREBY FURTHER ORDERED that this Second Supplemental Order is effective on the date hereof.

IT IS HEREBY FURTHER ORDERED that the order in said Decision No. 40193, dated April 22, 1947, as amended by Decision No. 40199, dated April 25, 1947, shall remain in full force and effect as amended or supplemented by this Second Supplemental Order.

Dated at Los Angeles, California, this 13th day of May, 1947.

Harold K. Huls
Leah J. Powell
R. J. [unclear]
Kenneth [unclear]

[REDACTED]

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