

**ORIGINAL**

Decision No. 63534

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DOMINGUEZ WATER CORPORATION, a Corporation, to Execute and Record a Fourth Supplemental Trust Indenture, dated as of March 1, 1962, Which Will Amend Applicant's Outstanding Trust Indenture.

Application No. 44275  
Filed March 15, 1962

OPINION AND ORDER

By Decision No. 50582, dated September 28, 1954, in Application No. 35796, the Commission authorized Dominguez Water Corporation, among other things, to execute a trust indenture and to issue not to exceed \$1,000,000 of its Series A bonds. By Decision No. 53323, dated July 10, 1956, in Application No. 38117, Decision No. 57088, dated August 5, 1958, in Application No. 40266, and Decision No. 62123, dated June 13, 1961, in Application No. 43409, as amended by Decision No. 62322, dated July 25, 1961, in Application No. 43614, applicant was authorized to issue bonds of its B, C, and D Series and in connection therewith was authorized to execute First, Second, and Third Supplemental Trust Indentures.

The provisions of Article V, Section 16 of applicant's present trust indenture, as amended, provide, in effect, that applicant cannot declare or pay dividends on, or purchase, redeem, or otherwise acquire shares of its preferred stock,

except out of income accrued subsequent to December 31, 1960, plus \$40,000; and that it cannot declare or pay dividends on, or purchase, redeem, or otherwise acquire shares of its common stock, except out of income accrued subsequent to December 31, 1960, and provided further that if after providing for such dividend the corporation's outstanding funded debt equals more than 60% of the total of its capital stock account, surplus accounts and outstanding funded debt, not more than 50% of net income accrued after December 31, 1960, may be used for such dividend payment, purchase, redemption, or other acquisition. In addition to the above, the indenture also provides that the corporation cannot declare or pay dividends on, or purchase, redeem, or otherwise acquire shares of its common stock when the result thereof would be to reduce its current assets to an amount less than its current liabilities.

Applicant now requests authorization to execute a Fourth Supplemental Trust Indenture which would modify and amend Article V, Section 16 of its Trust Indenture to read as follows:

"Section 16. (a) The Corporation covenants and agrees that it will not declare or pay dividends (other than stock dividends) on, or purchase, redeem, or otherwise acquire, shares of its Capital Stock, except out of

- (1) Net Income (as hereinafter defined) accrued subsequent to December 31, 1961, plus
- (11) Four Hundred Thousand Dollars (\$400,000).

(b) 'Net Income' shall mean net income after provision for depreciation, amortization, and payment of all property, income, and other taxes, as determined and computed in accordance with generally accepted accounting principles and in accordance with the California Public Utilities Commission's Uniform Classification of Accounts for Water Corporations."

Applicant is of the opinion that the execution of the Fourth Supplemental Trust Indenture will be to its advantage in that it will add necessary financial flexibility to its operations. Its board of directors has approved the proposed Fourth Supplemental Trust Indenture and Pacific Mutual Life Insurance Company, the owner of all of applicant's outstanding bonds, has consented to applicant's execution of said Fourth Supplemental Trust Indenture. A copy of the Fourth Supplemental Trust Indenture is attached to this application as Exhibit 2.



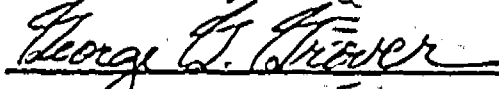
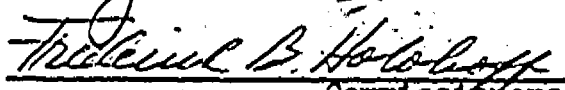
The Commission has considered this request and is of the opinion that it should be granted and that a public hearing is not necessary, therefore,

IT IS HEREBY ORDERED that -

1. Dominguez Water Corporation, on or after the effective date hereof and on or before December 31, 1962, may execute a Fourth Supplemental Trust Indenture in substantially the same form as the trust indenture filed in this proceeding as Exhibit 2.

2. The authorization granted herein shall become effective on the date hereof.

Dated at San Francisco, California,  
this 15<sup>th</sup> day of APRIL, 1962.

 President  
  
  
 Commissioners

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.