

**ORIGINAL**Decision No. 16749

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 SOUTHWESTERN HOME TELEPHONE COMPANY, )  
 for an order authorizing it to issue )  
 its First and Unified Mortgage Gold )  
 Bonds (later to be known as "First )  
 Mortgage Gold Bonds"), and for an )  
 order authorizing the use and sale )  
 of certain Series "A" bonds for the )  
 purpose of refunding the outstand- )  
 ing First Mortgage Bonds heretofore )  
 issued by the company, and for the )  
 purpose of likewise refunding the )  
 First Mortgage Bonds of the Redlands )  
 Home Telephone & Telegraph Company, )  
 and for the purpose of discharging )  
 and refunding certain other oblige- )  
 tions, and also for the purpose of )  
 providing funds from time to time in )  
 the future necessary to extend and )  
 enlarge the business of the company )  
 and to pay for necessary extensions )  
 and betterments; also for an order )  
 authorizing and approving a Trust )  
 Indenture to be issued as of the )  
 first day of October A.D. 1924, )  
 covering all the properties of the )  
 company in the State of California )  
 now owned or hereafter to be )  
 acquired in its business. )

Application No. 10260

BY THE COMMISSION:

THIRD SUPPLEMENTAL ORDER

On July 9, 1924, Southwestern Home Telephone Company filed with the Commission the above entitled application in which it asked permission, among other things, to issue \$340,000. of its six percent bonds to refund indebtedness of the Southwestern Home Telephone Company and the outstanding bonds of the Redlands Home

Telephone & Telegraph Company, all of whose stock was owned by the Southwestern Home Telephone Company. On August 4, 1924, the Commission by Decision No. 13866, as amended by Decision No. 13943, dated August 20, 1924; by Decision No. 14552, dated February 9, 1925, and by the Commission's order of March 3, 1925, authorized Southwestern Home Telephone Company to issue on or before September 1, 1925, \$340,000. of Series "A" First and Unified Mortgage Gold Bonds due October 4, 1924. The Commission's order reads in part as follows:-

- "1. Southwestern Home Telephone Company may deliver not exceeding \$205,700. of the bonds herein authorized in exchange, in part, for the \$522,500. of five percent bonds and the \$48,375. of deferred interest certificates, upon the basis set forth in this application.
2. Applicant may sell \$37,800. of the bonds herein authorized at not less than 92 percent of face value plus accrued interest and may use the proceeds from \$3,925. of such bonds to refund in part the outstanding five percent bonds and deferred interest certificates, as outlined herein, and from \$33,875. of such bonds to pay in part its outstanding bills payable. The remainder of the bonds herein authorized to be issued, namely \$96,500. may be used and delivered by the company only for such purposes as the Railroad Commission will hereafter authorize by supplemental order or orders."

On May 10, 1926, Southwestern Home Telephone Company filed in the above entitled matter a supplemental petition in which it asks the Commission for additional time within which to issue the \$340,000. of bonds and also for permission to use and deliver not exceeding \$96,500. face value of its Series "A" first and refunding mortgage six percent bonds, the issue of which has been authorized by Decision No. 13866, as amended in exchange upon the basis of par for par for the \$96,500. of outstanding first mortgage

bonds of Redlands Home Telephone & Telegraph Company. The company reports that the owners and holders of approximately \$50,000. of bonds of the Redlands Home Telephone & Telegraph Company have agreed to exchange their bonds par for par for Series "A" first and unified bonds of Southwestern Home Telephone Company.

The Commission has given consideration to applicant's supplemental petition referred to herein and is of the opinion that a further hearing is not necessary in this matter and that applicant's request should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that the time within which Southwestern Home Telephone Company may issue, sell or deliver the bonds authorized by Decision No. 13866, dated August 4, 1924, as amended, be, and the same is hereby, extended to and including December 31, 1926.

IT IS HEREBY FURTHER ORDERED that the Southwestern Home Telephone Company be, and it is hereby, authorized to deliver \$96,500. of the Series "A" first and unified mortgage bonds, the issue of which is authorized by Decision No. 13866, dated August 4, 1924, as amended, in exchange, on the basis of par for par, for the \$96,500. of first mortgage bonds of Redlands Home Telephone & Telegraph Company.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 13866, dated August 4, 1924, as amended, shall remain in full force and effect except as modified by this Third Supplemental Order.

DATED at San Francisco, California, this 19th day of May, 1926.

H. B. Brundage  
C. H. Sawyer  
Edward G. East  
Leon Whitall