

MM

Decision No. _____

ORIGINAL

Decision No. 5133

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SOUTHERN CALIFORNIA TELEPHONE COMPANY

for an order authorizing the issue
of capital stock and bonds, the ex-
ecution of a deed of trust, the pur-
chase of property, and the opera-
tion under various franchises; of

HOME TELEPHONE AND TELEGRAPH COMPANY

for an order authorizing the sale of
its property to Southern California
Telephone Company; of

SUNSET TELEPHONE AND TELEGRAPH COMPANY

for an order authorizing the sale of a
portion of its property to The Pacific
Telephone and Telegraph Company; and of

THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY

for an order authorizing the sale of a
portion of its property to Southern
California Telephone Company and the
acquisition of capital stock of Southern
California Telephone Company.

Application
No. 2227.

BY THE COMMISSION.

FOURTH SUPPLEMENTAL ORDER

SOUTHERN CALIFORNIA TELEPHONE COMPANY having applied
to the Railroad Commission for authority to execute a supplemental
trust indenture in substantially the same form as the supplemental
trust indenture marked Exhibit "A" and attached to the supplemental
petition in the above entitled matter, filed on February 14, 1918,
for the purpose of qualifying its bonds issued under its mortgage or
deed of trust, dated May 1, 1917, as a legal investment for savings

banks in the State of California; and it appearing that the proposed supplemental trust indenture contains all of the provisions of the supplemental trust indenture which the Railroad Commission by Decision Number 4745, dated October 11, 1917, authorized Southern California Telephone Company to execute; and it further appearing that in the proposed supplemental trust indenture Southern California Telephone Company, among other things, agrees that it will issue no bonds unless the payment of the same is guaranteed by The Pacific Telephone and Telegraph Company; that it will issue no additional bonds unless and until its net earnings shall have been at least equal during the twelve months next preceding the issue of any additional bonds to one and one-half times the interest on all of its outstanding mortgage indebtedness and on all additional bonds then proposed to be issued; that the term "net earnings" shall be deemed to mean the amount remaining after deducting from the gross earnings all taxes, maintenance charges, depreciation charges and operating expenses, except sinking fund charges and interest on indebtedness; and that it will pay to the trustee on May 1, 1918 and annually thereafter to and including the year 1946, an amount equivalent to 2 per cent of the aggregate par value of bonds issued under its mortgage dated May 1, 1917, as and for a sinking fund for the redemption of the bonds;

NOW, THEREFORE, IT IS HEREBY ORDERED that Southern California Telephone Company be, and it is hereby, granted authority to execute a supplemental trust indenture substantially in the same form as the supplemental trust indenture marked Exhibit "A" and attached to the supplemental petition filed herein on February 14, 1918, provided that the approval herein given of said supplemental trust indenture is for the purpose of this proceeding^{only} and an approval ~~xxx~~ in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of

said supplemental trust indenture as to such other legal requirements to which said supplemental trust indenture may be subject.

Dated at San Francisco, California, this 18th day of February, 1918.

Max Thelen

H. B. Howard

W. G. Gordon

Frank DeLong

Commissioners.