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ORIGINAL

Decision No. 8772.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
 UNION HOME TELEPHONE & TELEGRAPH CORPORATION,
 LONG BEACH HOME TELEPHONE & TELEGRAPH COMPANY,
 SAN BERNARDINO HOME TELEPHONE & TELEGRAPH
 COMPANY, and ASSOCIATED TELEPHONE COMPANY,
 for permission to issue stocks and bonds of
 ASSOCIATED TELEPHONE COMPANY for stocks and
 bonds of UNION HOME TELEPHONE & TELEGRAPH
 CORPORATION, and other purposes; to pledge
 and mortgage said stock and bonds of UNION
 HOME TELEPHONE & TELEGRAPH CORPORATION, and
 all other property of ASSOCIATED TELEPHONE
 COMPANY, as security for said bonds of
 ASSOCIATED TELEPHONE COMPANY; to lease pro-
 perty of UNION HOME TELEPHONE & TELEGRAPH
 CORPORATION, LONG BEACH HOME TELEPHONE &
 TELEGRAPH COMPANY, and SAN BERNARDINO HOME
 TELEPHONE & TELEGRAPH COMPANY, to ASSOCIATED
 TELEPHONE COMPANY; to assign the telephone
 franchises of LONG BEACH HOME TELEPHONE &
 TELEGRAPH COMPANY, SAN BERNARDINO HOME TELE-
 PHONE & TELEGRAPH COMPANY and UNION HOME
 TELEPHONE & TELEGRAPH CORPORATION, to ASSO-
 CIATED TELEPHONE COMPANY, for the leases;
 and to establish rates, rules, regulations
 and practices for ASSOCIATED TELEPHONE
 COMPANY.

Application
Number
5231.

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER.

WHEREAS, the Railroad Commission by Decision No. 8685, dated
 March 3, 1921, authorized ASSOCIATED TELEPHONE COMPANY to issue bonds and
 stock to refinance the properties of UNION HOME TELEPHONE AND TELEGRAPH
 CORPORATION and to lease the properties of said corporation and certain
 other properties; and

WHEREAS, it is recited in said decision that the \$75.00 per
 \$1,000.00 bond, which the bondholders are required to pay in order to

participate in the plan of refinancing, may be paid in cash or through cancellation of interest coupons and waiver of dividend payments; and

WHEREAS, applicants report that it is not intended to call on any one to waive dividends in order to pay the \$75.00, but that the \$75.00 may be paid in cash or through cancellation of interest coupons; and

WHEREAS, applicants further report that certain other indebtedness than bonds and unpaid interest coupons will be paid through the issue of the bonds and stock of Associated Telephone Company, if permitted by the Railroad Commission; and

WHEREAS, applicants also ask the Commission to authorize Associated Telephone Company to issue \$25,000.00 of 6 per cent bonds to refund \$25,000.00 of 5 per cent bonds of Long Beach Home Telephone and Telegraph Company;

AND it appearing to the Commission that applicants have made no satisfactory showing that they can at this time refund the outstanding bonds of Long Beach Home Telephone and Telegraph Company on a basis that will not result in any increase in the interest charges, and the Commission therefore being of the opinion that the order in Decision No. 8685, dated March 3, 1921, should not be so modified as to permit at this time the refunding of the \$25,000.00 of 5 per cent bonds of LONG BEACH HOME TELEPHONE AND TELEGRAPH COMPANY through the issue of \$25,000.00 6 per cent bonds of Associated Telephone Company, but that the order should be amended so as to permit the payment of other indebtedness than bonds and interest coupons through the issue of bonds and stock of Associated Telephone Company; and

Good Cause Appearing:

IT IS HEREBY ORDERED, that Condition "1" of the order in Decision No. 8685, dated March 3, 1921, reading:

"All of the bonds herein authorized to be issued and \$511,326.00 of stock herein authorized to be issued, shall be used for the purpose of refunding the outstanding bonds and stock and certain

"outstanding interest coupons of Union Home Telephone and Telegraph Corporation referred to in this application."

be, and it is hereby, amended so as to read --

"All of the bonds herein authorized to be issued and \$511,326.00 of stock herein authorized to be issued, shall be used for the purpose of refunding the outstanding bonds and stock and certain outstanding interest coupons and other claims against the Union Home Telephone and Telegraph Corporation referred to in this application, said refunding to be carried out in accordance with the terms and provisions of the refinancing plan submitted in this proceeding."

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 8685, dated March 3, 1921, be, and it is hereby, modified so as to permit the participants in the refinancing plan to pay the \$75.00 per \$1,000.00 bond either in cash or through the cancellation of interest coupons, as provided in said refinancing plan.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 8685, dated March 3, 1921, shall remain in full force and effect, except as modified by this Order.

Dated at San Francisco, California, this 21st day of March, 1921.

Frank R. Deane
H. D. Loveland
Dwight Martin

Commissioners.