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Decision No. 9528.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

\* \* \*

In the Matter of the Application of )  
SOUTHWESTERN HOME TELEPHONE COMPANY, )  
a corporation, for an order authori- )  
zing said company to issue its pro- )  
missory note or notes in the aggre- )  
gate amount of \$10,000.00. )

Application No. 7181.

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Max Thelen for applicant.

MARTIN, Commissioner.

O P I N I O N

SOUTHWESTERN HOME TELEPHONE COMPANY asks permission to issue a 2-year \$10,000.00 note bearing interest at not exceeding 7 per cent. per annum and to issue and deposit as collateral to secure the payment of the note \$20,000.00 of its first mortgage 5 per cent bonds.

Charles A. Rolfe, president of the Southwestern Home Telephone Company, testified that the company intended to use \$5,485.65 of the proceeds to refund indebtedness and \$4,513.35 to pay the cost of new construction or indebtedness incurred on account of new construction. He reports that it has been necessary for the company to install a new switchboard at Hemet at an approximate cost of \$2,500.00 and that it is necessary for applicant to increase its switchboard facilities at Banning and move the Banning exchange into larger quarters. He estimates the cost of the additional

switchboard facilities at Banning at about \$1,000.00 and the cost of installing the switchboard and certain other improvements at \$1,250.00, making a total of \$2,250.00.

I herewith submit the following form of Order.

O R D E R

SOUTHWESTERN HOME TELEPHONE COMPANY having applied to the Railroad Commission for permission to issue \$10,000.00 of notes and issue and deposit \$20,000.00 of bonds, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of such note is reasonably required by applicant and that this application should be granted subject to the terms of this order;

IT IS HEREBY ORDERED, that SOUTHWESTERN HOME TELEPHONE COMPANY be, and it is hereby, authorized to issue a 2-year \$10,000.00 note bearing interest at not exceeding 7 per cent. per annum and to issue and deposit as collateral to secure the payment of the note \$20,000.00 face value of its first mortgage 5 per cent. bonds.

The authority herein granted is subject to further conditions as follows:

- 1.--Applicant may, if it finds it necessary in securing the \$10,000.00 loan, to issue one or more notes and to issue such note or notes for a term of less than two years. If the note or notes are originally issued for a term of less than two years, such note or notes may be renewed from time to time provided that the term of the original note or notes and the term of all renewals thereof, does not exceed two years from the date of the original note or notes.
- 2.--The proceeds realized through the issue of the note or notes

herein authorized shall be used for the following purposes:

(1).--To pay the First National Bank of Redlands, trustee, under the agreement between applicant and certain of its bondholders; to complete payment due under said agreement for 1921,.....\$5,485.65

(2).--To finance the cost of the installation of a new switchboard at Hemet and a new switchboard at Banning together with other improvements,..... 4,514.35

Total,..... \$10,000.00

3.--As payments are made by applicant on the note or notes herein authorized to be issued, a proper proportion of the bonds pledged as collateral shall be returned to applicant's treasury and thereafter not issued except as authorized by the Railroad Commission.

4.--The authority herein granted will not become effective until applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

5.--Southwestern Home Telephone Company shall keep such record of the issue and sale of the note or notes herein authorized and of the disposition of the proceeds as will enable it to file on or before the twenty-fifth day of each month a verified report, as

required by the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

The foregoing Opinion and Order is hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 19<sup>th</sup> day of September, 1921.

H. S. Loveland  
Wm. Martay  
Chas. H. Brown

Commissioners.

Railroad Commission State of California  
SEP 22 1921  
BY A. M. Johnson