Decision No. 28633

REFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY, a corporation, for an order authorizing it to issue, sell and deliver \$30,000,000. par value of its bonds to be known as Refunding Mortgage 3½% Bonds, Series B, and authorizing it to execute and deliver an indenture supplemental to its Refunding Mortgage dated May 1, 1922.

Application No. 20370

ORIGINAL.

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

In a supplemental application filed on March 6, 1936 in the above entitled matter The Pacific Telephone and Telegraph Company asks permission to issue \$30,000,000. of refunding mortgage 37% bonds, Series B, due April 1, 1966 in place of the \$30,000,000. of refunding mortgage 32% bonds, Series B, due April 1, 1966, the issue of which is authorized by Decision No. 28567 dated February 10, 1936.

Applicant asks permission to sell the \$30,000,000. of 34 bonds at not less than 97% of their face value plus accrued interest. The 34 bonds are redeemable, as a whole or in part, at the option of the company, on any interest payment date, upon not less than sixty days notice, at the following redemption prices, together with accrued interest on said bonds in each case, the respective redemption prices being the following percentages of the principal amount of the bonds to be redeemed: to and including April 1, 1941, 106%; thereafter to and including April 1, 1951, 104%; thereafter to and including April 1, 1956, 102%; thereafter to and including April 1, 1956, 102%; thereafter to and including April 1, 1956, 102%; thereafter to and including April 1,

The company also asks permission to execute a supplemental trust indenture substantially in the same form as the trust indenture filed with the Commission as Exhibit F on March 6, 1936.

We have considered applicant's requests and believe that we should grant the same by amending the order in Decision No. 28567 dated February 10, 1936, therefore,

IT IS HEREBY ORDERED that paragraph one of the order in Decision No. 28567 dated February 10, 1936, reading-

The Pacific Telephone and Telegraph Company may, after the effective date hereof and prior to May 31, 1936, execute a supplemental trust indenture substantially in the same form as the supplemental trust indenture filed in this proceeding as Exhibit C, except that Section 13 of Article Fifth of said supplemental trust indenture should be eliminated, and provided that the authority herein granted is for the purpose of this proceeding only and is granted only insofar 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"

be, and the same is hereby, amended so as to read-

The Pacific Telephone and Telegraph Company may, after the effective date hereof and prior to May 31, 1936, execute a supplemental trust indenture substantially in the same form as the supplemental trust indenture filed in this proceeding as Exhibit F, provided that the authority herein granted is for the purpose of this proceeding only, and is granted insofar 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.

IT IS HEREBY FURTHER ORDERED that paragraph two of the order in Decision No. 28567 dated February 10, 1936, reading-

The Pacific Telephone and Telegraph Company may, after the effective date hereof and prior to May 31, 1936, issue and sell for not less than their face value and accrued interest, \$30,000,000 of its refunding mortgage Series P 3½% bonds due April 1, 1966, and use the proceeds, other than accrued interest which may be used for general corporate purposes, to pay its outstanding refunding mortgage Series A bonds, to reimburse its treasury on account of income expended for the retirement of first mortgage 5% sinking fund gold bonds of Home Long Distance Telephone Company, and to pay at maturity on May 15, 1936, bonds of The Home Telephoner and Telegraph Company of Spokane"

be, and the same is hereby, amended so as to read-

The Pacific Telephone and Telegraph Company may, after the effective date hereof and prior to May 31, 1936, issue and sell at not less than 97% of their face value and accrued interest, \$30,000,000 of its refunding mortgage Series B 3% bonds due April 1, 1966, and use the proceeds other than accrued interest, which may be used for general corporate purposes, to pay its outstanding refunding mortgage Series A bonds, to reimburse its treasury on account of income expended for the retirement of first mortgage 5% sinking fund gold bonds of Home Long Distance Telephone Company, and to pay at maturity on May 15, 1936 all or part of the bonds of the Home Telephone and Telegraph Company of Spokane.

IT IS HEREBY FURTHER ORDERED that paragraph four of the order in Decision No. 28567 dated February 10, 1936, reading-

The Pacific Telephone and Telegraph Company shall file with the Commission on or before May 31, 1936 two copies, as executed, of the supplemental trust indenture herein authorized to be executed"

be, and the same is hereby, emended so as to read-

The Pacific Telephone and Telegraph Company shall file with the Commission on or before May 31, 1936 two copies, as executed, of the supplemental trust indenture authorized to be executed by this First Supplemental Order.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 28567 dated February 10, 1936 shall remain in full force and effect, except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 4750 day of March, 1936.

Tean owhiles,

Frank Rulium

Commissioners.