

Decision No. 32582-7

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Associated Telephone Company, Ltd., a corporation, for an order authorizing it to issue certain securities.

ORIGINAL

Application No. 23122

BY THE COMMISSION.

FIRST SUPPLEMENTAL ORDER

The Railroad Commission, by its order in Decision No. 32570, dated November 21, 1939, in the above entitled matter, authorizes Associated Telephone Company, Ltd. to issue and sell, after the effective date of said order and prior to February 1, 1940, at not less than 105-3/4% of their face value and accrued interest \$10,300,000 of its First Mortgage 3½% Bonds, Series A, due December 1, 1969. The order in said Decision No. 32570, dated November 21, 1939, provides that the authority therein granted will become effective when the Railroad Commission has authorized Associated Telephone Company, Ltd. to execute a trust indenture to secure the payment of said \$10,300,000 of First Mortgage 3½% Bonds, Series A, due December 1, 1969.

In a second supplemental application filed on November 27, 1939, in the above entitled matter, Associated Telephone Company, Ltd. requests permission to execute a trust indenture substantially in the same form as that filed with said supplemental application as Exhibit "A." The trust indenture will be executed to the Security-First National Bank of Los Angeles as Trustee for the

purpose of securing the payment of said \$10,300,000 of First Mortgage 3½% Bonds, Series A, due December 1, 1969, and such additional bonds which the company may from time to time be authorized to issue. The trust indenture provides that the Series A 3½% Bonds may be redeemed by the company at any time and from time to time by the payment of the principal amount thereof and accrued interest thereon to the date of redemption together with a premium equal to a percentage of the principal amount as follows:

ten per centum (10%) if redeemed on or before December 1, 1941; nine and one-half per centum (9½%) if redeemed thereafter but on or before December 1, 1943; nine per centum (9%) if redeemed thereafter but on or before December 1, 1945; eight and one-half per centum (8½%) if redeemed thereafter but on or before December 1, 1947; eight per centum (8%) if redeemed thereafter but on or before December 1, 1949; seven and one-half per centum (7½%) if redeemed thereafter but on or before December 1, 1951; seven per centum (7%) if redeemed thereafter but on or before December 1, 1953; six and one-half per centum (6½%) if redeemed thereafter but on or before December 1, 1955; six per centum (6%) if redeemed thereafter but on or before December 1, 1957; five and one-half per centum (5½%) if redeemed thereafter but on or before December 1, 1959; five per centum (5%) if redeemed thereafter but on or before December 1, 1961; four and one-half per centum (4½%) if redeemed thereafter but on or before December 1, 1963; four per centum (4%) if redeemed thereafter but on or before December 1, 1964; three and one-half per centum (3½%) if redeemed thereafter but on or before December 1, 1965; three per centum (3%) if redeemed thereafter but on or before December 1, 1966; two per centum (2%) if redeemed thereafter but on or before December 1, 1967; one per centum (1%) if redeemed thereafter but on or before December 1, 1968; and one-half of one per centum (½ of 1%) if redeemed thereafter but before December 1, 1969."

The trust indenture defines the terms and conditions under which the company may call on the Trustee to authenticate additional bonds.

We have reviewed the proposed trust indenture, and it appears to be in satisfactory form. However, this order authorizing its execution should not be construed as granting applicant permission to issue any bonds, other than said \$10,300,000 authorized by said Decision No. 32570, dated November 21, 1939, or execute any supplemental trust indenture or indentures.

The Commission having considered applicant's request contained in said second supplemental application filed on November 27, 1939, and it being of the opinion that there is no need to hold a hearing on said second supplemental application and that said second supplemental application should be granted subject to the provisions of this First Supplemental Order, therefore

IT IS HEREBY ORDERED that Associated Telephone Company, Ltd. be, and it is hereby authorized, on or before February 1, 1940, to execute a trust indenture substantially in the form of the trust indenture filed in this proceeding on November 27, 1939, provided, that the authority herein granted does not carry with it permission to execute any supplemental trust indenture or indentures or to issue any bonds other than the \$10,300,000 authorized by said Decision No. 32570, dated November 21, 1939, and provided further, that the approval herein given of said trust indenture is for the purpose of this proceeding only and an approval insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said trust indenture as to such other legal requirements to which said trust indenture may be subject.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of said trust indenture, said Associated

Telephone Company, Ltd. shall file with the Railroad Commission two certified copies of said trust indenture executed under the authority herein granted.

Dated at Los Angeles, California, this 18th day of November, 1939.

Robert W. [unclear]
Carl [unclear]
H. [unclear]
Justice J. Coe
Commissioners.