

Decision No. 39557

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CONSOLIDATED TELEPHONE COMPANY, formerly
 Whittier Home Telephone and Telegraph
 Company, for an order of the Railroad
 Commission of the State of California
 authorizing Consolidated Telephone
 Company to issue its First Mortgage
 Bonds in the aggregate principal amount
 of \$400,000.00, to sell the same, and to
 execute a trust indenture as security
 therefor, all in accordance with the terms
 and conditions in this application herein-
 after set forth.

ORIGINAL

Application
No. 23051
(Supplemental)

FIRST SUPPLEMENTAL ORDER

The Commission by Decision No. 39510, dated October 15, 1946, authorized Consolidated Telephone Company to sell its Downey Exchange area properties to Associated Telephone Company, Ltd. The trust indenture securing the payment of the outstanding bonds (\$700,000.00) of Consolidated Telephone Company requires the company to deposit the proceeds from the sale of the properties with the Bank of America National Trust and Savings Association, trustee under the indenture. All of the outstanding bonds of Consolidated Telephone Company are owned by Connecticut Mutual Life Insurance Company. Subject to the terms of the indenture, the proceeds may be withdrawn by applicant to pay the cost of additions and improvements to its properties. Any proceeds not used for that purpose within twelve (12) months after their deposit must be used to redeem bonds.

Applicant asks permission to execute a second supplemental indenture which will permit it to withdraw the proceeds

from the sale of the Downey Exchange area properties for the purpose of financing the acquisition and construction of telephone properties, pay capital gains taxes and expenses incident to the sale of the properties during the period commencing with the date of their deposit and ending as of the close of business on December 31, 1948. The second supplemental indenture further provides that so long as applicant is not in default, United States Government Treasury Certificates of Indebtedness may be substituted for moneys on deposit with the trustee representing the proceeds of the sale of the Downey Exchange area properties. The supplemental indenture recites that the holder of applicant's bonds has consented to the release of the Downey Exchange area properties from the lien of the indenture securing the payment of such bonds. It contains a description of the properties to be released.

A copy of applicant's proposed second supplemental indenture has been filed as Exhibit "A" attached to its first supplemental application filed October 18, 1946. We find the same to be in satisfactory form and believe that applicant should be authorized to execute the same, therefore,

IT IS HEREBY ORDERED as follows:

1. Consolidated Telephone Company may, after the date hereof and on or before December 31, 1946, execute a supplemental indenture in form substantially the same as the supplemental indenture annexed as Exhibit "A" to its first supplemental application filed in this proceeding on October 18, 1946, and may release from the lien of its indenture dated November 1, 1939, as amended by its first supplemental indenture dated May 1, 1941, the Downey Exchange area properties.

2. Within thirty (30) days after the execution of said second supplemental indenture, Consolidated Telephone Company shall file with the Railroad Commission two (2) certified copies of said indenture.

3. Consolidated Telephone Company shall file with the Railroad Commission a complete copy of each request made upon the trustee under its indenture for the withdrawal of the proceeds of the sale of the Downey Exchange area properties, the same to be filed within thirty (30) days after the requests are filed with the trustee.

Dated at San Francisco, California, this 22nd day of October, 1946.

Harold P. Lule
Justus F. Calmes
Francis O'Leary
Irish Powell
A. Z. Dwyer
- Commissioners