

Decision No. 42389

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )  
KERN MUTUAL TELEPHONE COMPANY, a )  
California corporation, for an )  
order authorizing it (a) to issue )  
and sell \$650,000 principal amount )  
of 5% Cumulative Income Debentures )  
due June 1, 1973, (b) to execute )  
and deliver an Indenture to be dated )  
as of June 1, 1948, (c) to apply )  
the proceeds of sale of said Deben- )  
tures to completion of improvements )  
and extensions herein referred to, )  
to discharge of certain obligations )  
and to reimburse the treasury and )  
(d) to amend its Articles of Incor- )  
poration, increase its stated capi- )  
tal and issue 25,000 shares of \$10 )  
par value capital stock in lieu of )  
and in exchange for 25,000 shares )  
of \$1 par value capital stock. )  
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ORIGINAL

Application  
No. 29445  
(First Supplemental)

FIRST SUPPLEMENTAL OPINION AND ORDER

The Public Utilities Commission, by Decision No. 41826, dated July 7, 1948, authorized Kern Mutual Telephone Company, among other things, to issue and sell, on or before December 31, 1948, at not less than their face value plus accrued interest, \$650,000 principal amount of 5% cumulative income debentures due June 1, 1973. The decision of the Commission indicates that it was the company's intention to offer the debentures directly to purchasers and also to enter into an agreement with C. A. Botzum of Los Angeles for the sale of the debentures by him and his employees, as agents, on the basis of a commission ranging from 1½% to 2½% of the principal amount of all debentures sold.

Thereafter, the company undertook the sale of \$500,000 of first mortgage 4% bonds and, in connection therewith, agreed with the purchasers of the bonds to limit the debenture issue to \$200,000. Accordingly it requested, and in Decision No. 42099, dated October 5, 1948, received, an order of the Commission amending the earlier decision, No. 41826, so as to limit the debenture issue to \$200,000.

The company now reports that it has been able, to date, to sell only \$33,000 principal amount of debentures. It requests the Commission to grant it additional time within which to issue the remaining \$167,000 of debentures.

The Commission has considered this request and is of the opinion that a public hearing thereon is not necessary, and that it should enter an order at this time extending to December 31, 1949, the time within which the company may issue and sell said remaining \$167,000 of debentures, but not otherwise modifying the terms and conditions under which said debentures may be sold; therefore,

IT IS HEREBY ORDERED as follows:

1. The time within which Kern Mutual Telephone Company may issue and sell the unsold \$167,000 of debentures authorized by Decision No. 41826, dated July 7, 1948, is hereby extended to and including December 31, 1949.

2. The order in said Decision No. 41826, dated July 7, 1948, as amended by Decision No. 42099, dated October 5, 1948, shall remain in full force and effect, except as modified by this First Supplemental Opinion and Order.

3. This First Supplemental Opinion and Order is effective as of the date hereof.

Dated at San Francisco, California, this 28<sup>th</sup> day of December, 1948.

*R. T. [Signature]*  
*Justus F. Calves*  
*[Signature]*  
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Commissioners