

Decision No. 46470

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SAN JOAQUIN TELEPHONE COMPANY, formerly	:	Application
Manteca Telephone Company, for authority)	No. 32389
to issue and sell securities.	:	(First Supplemental)
-----)	

Sallie Kendall, Talbot Kendall, and James T. Naylor, for applicant.

FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 45723, dated May 22, 1951, in the above entitled matter, the Commission authorized San Joaquin Telephone Company to issue and sell, at a price not less than par, \$120,000 par value of its Original Prior Preferred Stock, \$20 Par Value, 6% Series A, for the purpose of paying outstanding indebtedness incurred in making additions to its plants and properties.

In its first supplemental application filed in this proceeding, applicant reports that it has found it necessary to increase the dividend rate on its preferred stock in order to effect the sale thereof, and it has asked the Commission to make an order authorizing it to increase the dividend rate to 7%. The dividends are non-cumulative.

A public hearing was held on the first supplemental application on November 20, 1951, at which time applicant offered testimony concerning prevailing interest rates and showing the terms under which shares of preferred stock of other utilities currently are selling. The testimony further shows that applicant is faced with a construction program aggregating approximately \$233,500, that it intends to borrow a portion of its requirements from a bank, or banks, and that

it has need for the proceeds from the sale of shares of preferred stock to enable it to pay indebtedness and to complete its program.

A review of the record indicates that, under the circumstances surrounding this particular utility, an order granting its request is warranted; therefore,

IT IS HEREBY ORDERED as follows:

1. The order in Decision No. 45723, dated May 22, 1951, hereby is modified so as to permit San Joaquin Telephone Company to issue and sell, at not less than par, for cash, on or before December 31, 1952, not exceeding \$120,000 par value of its Original Prior Preferred Stock, \$20 Par Value, 7% Series A, in lieu of the shares of preferred stock authorized by said decision, and to use the proceeds to pay indebtedness and to finance in part the cost of additions, extensions and improvements to its plants and properties located in and about Ripon and Manteca.

This order will become effective upon the date hereof.

Dated at Los Angeles California, this 27th day of November 1951.

R. J. [Signature]
President
Justus J. [Signature]
[Signature]
[Signature]
[Signature]
Commissioners