

**ORIGINAL**

Decision No. 49531

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE WESTERN TELEPHONE COMPANY for authority to establish rates for new services; to establish continuous service in its Laytonville and Covelo Exchanges; to increase rates for certain services; and to issue 8600 shares of its Cumulative Preferred Stock, \$25.00 Par Value.	)	Application No. 32114 (Third Supplemental)
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Application of The Western Telephone Company for authority to issue 5,436 shares of Common Stock, \$25.00 Par Value.	)	Application No. 33259 (Second Supplemental)
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FOURTH SUPPLEMENTAL ORDER IN APPLICATION NO. 32114  
THIRD SUPPLEMENTAL ORDER IN APPLICATION NO. 33259

By orders in the above entitled matters the Commission heretofore has authorized The Western Telephone Company to issue and sell shares of its 5-1/2% preferred and shares of its common stock, on or before December 31, 1953, and to use the proceeds to pay commissions and to finance construction costs. The amounts of stock thus authorized, the amounts sold up to the end of 1953, and the unsold amounts are as follows:

	<u>Authorized</u>	<u>Sold</u>	<u>To Be Sold</u>
5-1/2% preferred	\$140,000	\$41,725	\$ 98,275
Common	135,900	64,850	<u>71,050</u>
			<u>\$169,325</u>

In a supplemental application filed in these proceedings on December 31, 1953, applicant reports that it desires to continue with the sale of its stocks but that it desires to revise the amounts of the previous authorizations so as to increase the proportion of common stock as compared with the preferred. Accordingly, it requests the Commission to make a supplemental order authorizing

it to issue and sell \$169,325 par value of stock, being the amount of the unused authorization, but to be divided into \$150,000 par value of common stock and \$19,325 par value of preferred stock. It desires to sell the stock on the same terms as those heretofore approved and to use the proceeds for the construction, completion, extension and improvement of its facilities, generally in accordance with the schedules heretofore submitted in these two proceedings.

The Commission has considered this supplemental application and is of the opinion that the money, property or labor to be procured or paid for by the issue and sale of the shares of stock herein authorized is reasonably required by applicant for the purposes specified herein, that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the supplemental application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. The Western Telephone Company may issue and sell, at par for cash, on or before December 31, 1954, not to exceed \$150,000 par value of its common stock and \$19,325 par value of its Cumulative Preferred Stock, \$25 Par Value, 5-1/2% Series. Applicant may use not to exceed 10% of the par value of the stock sold to pay commissions for the sale of said shares and shall use the remaining proceeds, and such portion of the 10% not needed to pay commissions, for the purpose of financing the cost of constructing, completing, extending and improving its facilities.

2. The Western Telephone Company shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 12<sup>th</sup> day of January, 1954.

*R. F. [Signature]*  
President  
*Justus J. [Signature]*  
*Wm. [Signature]*  
*Edw. E. [Signature]*  
*Deane [Signature]*  
Commissioners