

ORIGINAL

Decision No. 49533

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
General Telephone Company Of Cali-	:	
formia for Authority to Issue and	)	
Sell 200,000 Shares of Its Cumulative	:	Application
Preferred Stock, \$20 Par Value, 5%	)	No. 34905
1947 Series, without competitive	:	(First Supplemental)
bidding.	)	(Second Supplemental)
(Amended Title)	:	
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FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 49458, dated December 21, 1953, the Commission exempted from competitive bidding a proposed issue by General Telephone Company Of California of 150,000 shares of Cumulative Preferred Stock, \$20 Par Value, 5% 1947 Series, and authorized the company to issue and sell said shares on or before June 30, 1954, at a price to be fixed in a supplemental order.

Applicant now has concluded it is possible for it to dispose of 200,000 shares (\$4,000,000 par value) of its preferred stock. In a supplemental application filed in this proceeding it reports that it proposes to enter into a stock purchase agreement granting to underwriters a sixty-day option to purchase said 200,000 shares of stock at a price of \$18.99 a share, flat, with the right granted the company, if it so desires, to extend the period within which the option may be exercised. It is reported that the underwriters propose initially to offer the shares to the public at \$20 a share and that if any of the shares are sold by the underwriters at a price in excess of \$20 a share, the amount of such excess will be paid to the company. The Commission is asked to make a supplemental order authorizing the sale of the 200,000 shares under these terms.

The original application shows estimated cash expenditures for additions to plant in 1954 in the amount of \$40,141,800 with required financing from external sources in the total amount of \$24,000,000. It clearly appears that applicant will have need for the proceeds from the sale of 200,000 shares as it proceeds with its construction activities, that the money, property or labor to be procured or paid for by the issue 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, that a further hearing is not necessary and that an order should be entered granting its requests; therefore,

IT IS HEREBY ORDERED as follows:

1. General Telephone Company Of California, after the date hereof and on or before June 30, 1954, may issue and sell 200,000 shares of its Cumulative Preferred Stock, \$20 Par Value, 5% 1947 Series, exempt from competitive bidding, at a price of not less than \$18.99 a share, flat, under the terms of the stock purchase agreement filed with the Commission, for the purposes set forth in this application.

2. The authority granted by this first supplemental opinion and order is effective upon the date hereof.

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

[Signature]  
President  
Justus F. Cravens  
[Signature]  
[Signature]  
[Signature]  
Commissioners