

Decision No. 53054

**ORIGINAL**

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 Applicant (a) to issue and sell 12,000 shares of a new series of preferred shares, par value \$25 per share, and (b) to use the proceeds of sale of said preferred shares to redeem 4,230 shares of presently outstanding 6% Cumulative Preferred Shares, to pay outstanding unsecured short-term promissory notes aggregating \$153,200, and to reimburse its treasury.

Application  
No. 37890

FIRST SUPPLEMENTAL ORDER

By Decision No. 52924, dated April 24, 1956, the Commission authorized Kern Mutual Telephone Company to issue and sell not to exceed 12,000 preferred shares, Series A, \$25 par value, at the price and under the terms to be fixed in a supplemental order.

In a supplemental application filed in this proceeding on May 14, 1956, applicant reports that it has established a new series of 12,000 preferred shares, \$25 par value, designated as 5.36% Cumulative Preferred Shares, Series A, and that it has entered into an underwriting agreement with a group represented by Central Republic Company to sell to such group said preferred shares at a price of \$25 per share, plus accrued dividends, if any, from date of issue, less underwriters' compensation of \$1.375 a share, said shares to be entitled to cumulative dividends at the rate of 5.36% per annum. Applicant has requested the Commission to make its final order in this proceeding approving the sale of said shares at a

price, on the terms and for the purposes set forth in its original application and first supplemental application.

The Commission has considered this matter and is of the opinion that applicant's request should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Kern Mutual Telephone Company may issue and sell, on or before June 30, 1956, the 12,000 shares of 5.36% Cumulative Preferred Shares, Series A, heretofore authorized by Decision No. 52924, at a price of \$25 per share, plus accrued dividends, if any, from date of issue, less underwriters' compensation of \$1.375 a share, and upon the terms and for the purposes set forth in its application and first supplemental application on file in this proceeding; and

2. This First Supplemental Order will become effective on the date hereof.

Dated at Los Angeles, California, this 15<sup>th</sup> day of May, 1956.

*John E. Mitchell*  
President

*Justice J. Casper*

*Paul J. [unclear]*

*[unclear]*  
*[unclear]*  
Commissioners