ORIGINAL

Decision No. ___53738___

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of GENERAL TELEPHONE COMPANY OF)
CALIFORNIA for authority to issue)
and sell $20,000,000 principal)
amount of First Mortgage Bonds,)
Series J, due September 1, 1986,)   Application No. 38307
and to execute and deliver to)
Security-First National Bank of)
Los Angeles, as Trustee, an Inden-)
ture supplemental to the existing)
indenture, as amended, securing)
said Company's bonded indebtedness.)

FIRST SUPPLEMENTAL ORDER

By Decision No. 53592, dated August 21, 1956, the
Commission authorized General Telephone Company of California to
execute a supplemental indenture and to issue, sell and deliver
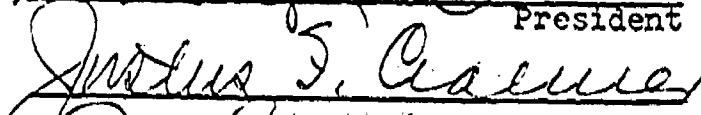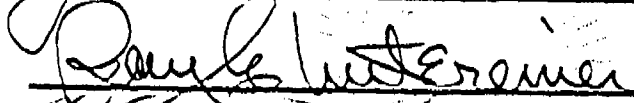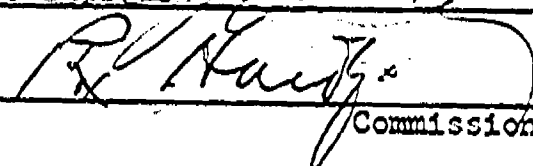$20,000,000 principal amount of its first mortgage bonds.

The application, as originally filed, set forth that the
initial redemption price of the bonds would be the initial public
offering price plus three per cent of the principal amount of the
bonds, or 103% of the principal amount, whichever is greater. The
company now reports, however, that due to market conditions, it has
found it necessary to revise the proposed terms of the bonds so as
to provide that the initial redemption price will be the initial
public offering price plus the rate of interest on the bonds, or
100% of the principal amount of the bonds, plus the rate of interest,
whichever is greater.   It has requested a supplemental order from
the Commission approving the proposed change.

- 1 -

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

IT IS HEREBY ORDERED that the order in Decision No. 53592, dated August 21, 1956, is modified to the extent necessary so as to permit General Telephone Company of California to revise the initial redemption price of said bonds as indicated herein.

This supplemental order will become effective on the date hereof.

Dated at San Francisco, California, this 11th of September, 1956.

President

Commissioners