

**ORIGINAL**

Decision No. 54987

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 K, due June 1, 1987, and to execute and deliver to Security-First National Bank of Los Angeles, as Trustee, an Indenture supplemental to the existing Indenture, as amended, securing said Company's bonded indebtedness.

Application No. 39002  
(First Supplemental)

FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 54959, dated May 14, 1957, General Telephone Company of California was authorized to execute a supplemental indenture and to issue and sell \$20,000,000 of bonds. The form of supplemental indenture which applicant proposed to execute was filed in this proceeding.

By first supplemental application filed on May 20, 1957, applicant advises that because of prevailing economic conditions and in order to increase the price received by it upon the sale of the bonds, it has found it advisable to amend its proposed supplemental indenture so as to provide that its optional right to redeem any of the Series K bonds shall be so limited until June 1, 1962 that none of such bonds shall be called for redemption prior to said date if such redemption is for the purpose or in anticipation of refunding any of said bonds by the application, directly or indirectly, of funds borrowed by applicant at a rate of interest less than the rate of interest on such bonds. It requests that the Commission amend its original order so as to

authorize the execution of a supplemental indenture amended as set forth in its first supplemental application.

The Commission is cognizant of conditions prevailing in the market where applicant must secure the funds with which to carry on its construction program. The Commission also desires to afford applicant an opportunity to realize the best price possible from the sale of its securities. Accordingly, the Commission will enter an order authorizing the execution of an amended supplemental indenture; therefore,

IT IS HEREBY ORDERED as follows:

1. Ordering paragraph 2 of Decision No. 54959, dated May 14, 1957, which now reads:

"2. General Telephone Company of California may execute a supplemental indenture and may issue and sell said \$20,000,000 of bonds at the price offered in said bids which will result in the lowest annual cost of money to applicant."

shall be amended so as to read:

"2. General Telephone Company of California may execute a supplemental indenture amended as set forth in its first supplemental application and may issue and sell said \$20,000,000 of bonds at a price offered in said bids which will result in the lowest annual cost of money to applicant."

2. In all other respects, Decision No. 54959 shall remain unchanged.

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

Dated at San Francisco, California, this 21<sup>st</sup> day of May, 1957.

John E. Mitchell  
President  
Paula L. ...  
William ...  
R. ...  
E. ...  
Commissioners