

ORIGINAL

Decision No. 55450

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 500,000 shares of 5%
Cumulative Preferred Stock,
without competitive bidding.

Application No. 39074
(First Supplemental)

FIRST SUPPLEMENTAL ORDER

By Decision No. 55222, dated July 9, 1957, the Commission authorized General Telephone Company of California to issue and sell 500,000 shares of its Cumulative Preferred Stock (\$10,000,000 par value) at a price to be fixed in a supplemental order.

In a supplemental application filed in this proceeding on August 23, 1957, applicant reports that it has become necessary to provide for cumulative dividends at the rate of 5½ per cent per annum, instead of 5 per cent as originally planned, and that it has entered into an agreement granting to underwriters a sixty-day option to purchase said 500,000 shares of stock at a price of \$19.45 a share, flat, for shares which are included in sales as a part of a block of 10,000 or more shares sold by a single underwriter or dealer to a single purchaser, or at \$19.08 a share as to other sales, with the right given to the company, if it so desires, to extend the period within which the option may be exercised. The underwriters have agreed to offer the shares initially to the public

at \$20 a share and, if any of the shares are sold by the underwriters at a price in excess of \$20 a share, to pay the amount of such excess to the company. Applicant has filed a copy of the underwriting agreement and has asked the Commission to make a supplemental order authorizing the sale of the 500,000 shares under its terms.

The Commission has considered this request and is of the opinion that a further hearing is not necessary and that an order should be entered; therefore,

IT IS HEREBY ORDERED as follows:

1. General Telephone Company of California, after the date hereof and on or before January 31, 1958, may issue and sell the 500,000 shares of Cumulative Preferred Stock, which were authorized by Decision No. 55222, dated July 9, 1957, at the prices and under the terms set forth in applicant's first supplemental application filed in this proceeding, and with cumulative dividends at the rate of $5\frac{1}{2}$ per cent per annum.

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

Dated at Los Angeles, California, this 27th day of August, 1957.

President
Ray L. Lutermeier

W. Hardy

E. L. Fox

Commissioners