

ORIGINAL

Decision No. 56227

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE WESTERN TELEPHONE COMPANY for authority to issue notes up to an aggregate amount of \$600,000

Application No. 35498 (Third Supplemental)

THIRD SUPPLEMENTAL ORDER

Under authorization granted by Decision No. 55712, dated October 22, 1957, The Western Telephone Company issued to The Chase Manhattan Bank a \$600,000 unsecured 5-1/4% note, due December 31, 1957, for the purpose of renewing outstanding indebtedness, and entered into an extension of its loan agreement with Stromberg-Carlson Credit Corporation to and including December 31, 1957.

On January 16, 1958, the company filed with this Commission Application No. 39734 in which it seeks authorization to issue long-term 2% notes to the United States of America, acting by and through the Rural Electrification Administration, in the aggregate amount of \$2,456,000, part of the proceeds of which would be used to pay and discharge the indebtedness to The Chase Manhattan Bank. Meanwhile, applicant desires authority to extend the loan agreement and the maturity date of the renewal note to and including April 30, 1958, which extension is agreeable to The Chase Manhattan Bank, provided the interest rate is increased to 5-3/4%.

The Commission has considered this request and is of the opinion that it should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. The Western Telephone Company may enter into an extension of its \$600,000 renewal note with The Chase Manhattan Bank to and including April 30, 1958, subject to an increase in the interest rate from 5-1/4% to 5-3/4%, it being the opinion of the Commission that the money, property or labor to be procured or paid for by the execution of the extension is reasonably required by applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

2. The Western Telephone Company may enter into an extension of its loan agreement with Stromberg-Carlson Credit Corporation to and including April 30, 1958.

3. This order will become effective on the date hereof.

Dated at Los Angeles, California, this 10th day of FEBRUARY, 1958.

W. E. Mitchell
President
R. J. [unclear]
W. [unclear]
R. Hardy
E. J. [unclear]
Commissioners