

ORIGINAL

Decision No. 49699

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)
INTERSTATE TELEGRAPH COMPANY for)
Authority to Issue 4,300,000 shares)
of Common Stock.)
-----)

Application
No. 35135

OPINION AND ORDER

Interstate Telegraph Company has filed this application for authorization to issue \$4,300,000 of its common stock.

Applicant is engaged in supplying telephone and telegraph service in portions of California and Nevada. It is a wholly-owned subsidiary of California Electric Power Company and has received funds from that company to finance itself. It now desires to discharge indebtedness represented by bonds and notes which it has issued, or expects to issue, to the power company and, subject to receiving authorization from this Commission, proposes to issue its shares of common stock for this purpose.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized 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; therefore,

IT IS HEREBY ORDERED as follows:

1. Interstate Telegraph Company may issue not exceeding \$4,300,000 par value of its common stock to California Electric Power Company on or before June 30, 1954, in exchange, at dollar for dollar, for its outstanding bonds and notes.

2. Interstate Telegraph Company shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

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

Dated at San Francisco, California, this 23rd day of February, 1954.

A. E. Johnson
President

Justus D. Calver

Frederick Potter

John E. Mitchell

Donna Duggins
Commissioners