

ORIGINAL

Decision No. 66321

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DELTA TELEPHONE AND TELEGRAPH
COMPANY, a California Corporation,
for authority to issue unsecured
promissory notes.

Application No. 45905
Filed October 28, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Delta Telephone and Telegraph Company, applicant herein, to issue two notes in the aggregate principal amount of \$815,000 for the purpose of refinancing outstanding indebtedness.

Applicant is a California corporation engaged in the business of operating a telephone system in certain areas along the Sacramento River including, among others, the communities of Clarksburg, Courtland, Freeport, Hood, Isleton, Ryde and Walnut Grove. It reports that it has outstanding \$815,000 of indebtedness represented by short-term notes issued for the purpose of retiring and refunding indebtedness represented by previously authorized notes, or for financing the construction, completion, extension or improvement of its facilities, or to reimburse its treasury for funds previously expended for such capital purposes. It appears that applicant originally incurred \$575,000 of said \$815,000 of indebtedness pursuant to authority granted by Decision No. 59371, dated December 15, 1959, in Application No. 41680.

For the purpose of refinancing the note representing \$500,000 of its outstanding indebtedness, applicant proposes to issue a 4-1/2% unsecured note in the principal amount of \$500,000 in favor of General Telephone Credit Company, Inc., to be dated January 1, 1964, and to bear a maturity date of December 31, 1964. In order to refinance the notes representing the remaining \$315,000 of said indebtedness, the company proposes to issue a 4-1/2% unsecured note in the principal amount of \$315,000 in favor of General Telephone & Electronics Corporation, to be dated November 29, 1963 and to bear a maturity date of November 28, 1964.

The Commission has considered this matter and is of the opinion, and finds, that (1) the proposed issue of notes is for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings, we conclude that the application should be granted. The authorization thus granted is not to be construed as indicative of amounts to be included in future proceedings for the purpose of determining just and reasonable rates.

O R D E R

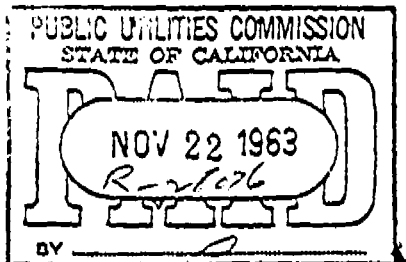
IT IS ORDERED that:

1. Delta Telephone and Telegraph Company, on or after the effective date hereof and on or before March 31, 1964, may issue two promissory notes in the aggregate principal amount of not to exceed \$815,000 for the purpose of refinancing outstanding indebtedness as set forth in the application, which notes shall be in the same form, or in substantially the same form, as those attached to the application as Exhibit B and Exhibit C.

2. Delta Telephone and 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. This order shall become effective when Delta Telephone and Telegraph Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$240.

Dated at San Francisco, California, this 19th day of NOVEMBER, 1963.



William W. Burwell
President
George E. [unclear]
Wendell [unclear]
George H. Hoover
Frederick B. Hallock
Commissioners