

ORIGINAL

Decision No. 67005

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Gilroy Telephone Company, a
California Corporation, for an
order authorizing it to renew
short term notes aggregating
\$275,000.

Application No. 46265
Filed March 9, 1964

O P I N I O N

This is an application for an order of the Commission authorizing Gilroy Telephone Company to issue notes in the aggregate principal amount of \$275,000.

The application shows that Gilroy Telephone Company has issued to Bank of America National Trust and Savings Association its promissory notes in the aggregate amount of \$275,000, payable less than one year after the dates of issue, for the purpose of financing the cost of additions to telephone plant. Applicant proposes to renew these outstanding notes by the issue of new unsecured notes, which will be repayable not later than March 31, 1965, and will bear interest at the rate of 5-1/4% per annum. The company reports that it expects to refinance the borrowings with permanent capital prior to March 31, 1965.

The Commission has considered this matter and finds that: (1) the proposed notes are 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. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

The authorization herein given is for the issue of notes and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Gilroy Telephone Company may issue its unsecured 5-1/4% promissory notes, due on or before March 31, 1965, in the aggregate principal amount of not to exceed \$275,000 for the purpose of renewing notes of like amount now outstanding.

2. Gilroy Telephone 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.

