

ORIGINAL

Decision No. 68186

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.

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) Application No. 47046
) Filed October 16, 1964
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O P I N I O N

This is an application for an order of the Commission authorizing Delta Telephone and Telegraph Company to issue two unsecured notes in the aggregate principal amount of \$915,000 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. The company reports that it has outstanding \$915,000 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 notes authorized by Decision No. 66321, dated November 19, 1963, in Application No. 45905, represent \$815,000 of said \$915,000 indebtedness.

For the purposes of retiring and refunding 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 December 31, 1964, and to bear a maturity date of December 31, 1965. In order to retire and refund the notes representing the remaining \$415,000 of said indebtedness, applicant proposes to issue a 4-1/2% unsecured note in the principal amount of \$415,000 in favor of General Telephone & Electronics Corporation, to be dated November 28, 1964, and to bear a maturity date of November 28, 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. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The authorization herein given 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. On or after the effective date hereof and on or before January 31, 1965, Delta Telephone and Telegraph Company may issue and deliver two unsecured promissory notes in the aggregate principal amount of not to exceed \$915,000 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-B, which order, insofar as applicable, is hereby 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 \$100.

Dated at San Francisco, California,
this 10th day of November, 1964.

Frederic B. Hallock
President
George L. Hoover
Commissioners
William M. Bennett

