

ORIGINAL

Decision No. 68985

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
))
CALIFORNIA WATER & TELEPHONE)
COMPANY)
))
to extend the maturity of)
certain promissory notes)
_____)

Application No. 47479
Filed April 8, 1965

O P I N I O N

California Water & Telephone Company requests an order of the Commission authorizing it to issue and reissue certain promissory notes in the aggregate principal amount of \$15,750,000.

The application shows that as of March 25, 1965, the company had twelve ninety-day 4-1/2% promissory notes outstanding in the total amount of \$15,750,000. Exhibit B, attached to the application, indicates that such notes represent borrowings of \$4,000,000 from General Telephone & Electronics Corporation and \$11,750,000 from Bank of America National Trust and Savings Association. Applicant reports that the notes have been issued at various times for the purpose of obtaining funds for the construction, completion and extension of its facilities, and that the practice is to renew them from time to time as they become due.

By Decision No. 68278, dated November 30, 1954, in Application No. 47073, the Commission authorized applicant to issue and reissue \$3,950,000 principal amount of said notes, provided that they bear maturity dates prior to July 1, 1965. In this proceeding, applicant requests authority to issue and reissue promissory notes for the purpose of replacing the ninety-day notes referred to in said Exhibit B.

The company advises that it has arranged for a line of credit with Bank of America National Trust and Savings Association whereby borrowings up to \$24,000,000 may be made at the prime interest rate. The utility alleges further that its parent company, General Telephone & Electronics Corporation, has expressed willingness to lend money to applicant on the same terms as exist for presently outstanding notes. Applicant asserts that under such arrangements it will be able to borrow additional funds when needed, to and including June 30, 1966. According to the application, the utility does not contemplate that securities will be issued during the year 1965 for the purpose of obtaining funds; however, it plans to arrange for appropriate financing during the first six months of 1966.

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. California Water & Telephone Company may issue and reissue its promissory notes bearing maturity dates prior to July 1, 1966, in the aggregate principal amount of not to exceed \$15,750,000 for the purpose specified in this proceeding. The notes shall be in the same form, or in substantially the same form, as those attached to the application.

2. California Water & Telephone 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 California Water & Telephone Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$5,950.

Dated at San Francisco, California,
this 4th day of May, 1965.

Frederick B. Hallock
President

John C. Blatch

George E. Hoover

Augusta

William A. Bennett
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
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