

**ORIGINAL**

Decision No. 71724

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of WESTERN CALIFORNIA TELEPHONE )  
COMPANY for an Order authorizing )  
it to issue and sell 13,340 )  
shares of its Common Stock, )  
\$10.00 par. )

Application No. 48983  
Filed November 29, 1966

O P I N I O N

This is an application for an order of the Commission authorizing Western California Telephone Company to issue and sell 13,340 shares of its \$10 par value common stock for an aggregate consideration of \$1,000,500. The company proposes to sell the stock at a price of \$75 per share to General Telephone & Electronics Corporation, the reported owner of 238,590 shares of applicant's presently outstanding common stock, which totals 238,595 shares.

The application indicates that the proceeds to be derived from the proposed stock issue will be applied toward (a) retiring \$750,000 of construction loans advanced by General Telephone & Electronics Corporation and any additional temporary loans for capital improvements obtained from such source prior to sale of the stock and (b) to the extent of funds remaining, financing the cost of additions and betterments to applicant's telephone system.

The Commission has considered this matter and finds that: (1) the proposed stock issue is for proper purposes; (2) the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purposes specified herein; and (3) such purposes are 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.

In issuing our order herein, we place applicant and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return applicant should be allowed to earn on its investment in plant, and that the authorization herein given is not to be construed as a finding of the value of applicant's stock or properties nor 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. Western California Telephone Company, on or after the effective date hereof and on or before April 30, 1967, may issue and sell not to exceed 13,340 shares of its common stock at a price of \$75 per share for the purposes specified in this proceeding.

2. Western California 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. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 20<sup>th</sup> day of DECEMBER, 1966.

[Signature]  
President  
Frederick B. Holdcroft  
[Signature]

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Commissioners

Commissioner George G. Grover, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.