

ORIGINAL

Decision No. 74816

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
CALIFORNIA INTERSTATE TELEPHONE)	Application No. 50543
COMPANY)	Filed September 12, 1968
	and Amendment
for an order or orders authorizing)	Filed September 25, 1968
applicant to issue shares of its)	
common stock, \$5 par value, in)	
cancellation of indebtedness.)	

O P I N I O N

California Interstate Telephone Company requests authori-
zation from the Commission to issue and sell 66,666 shares of its
\$5 par value common stock.

Applicant is a California corporation furnishing local
and toll telephone service in parts of California and Nevada. The
application shows that the utility has received \$3,000,000 of
advances from its parent company, Continental Telephone Corporation,
in connection with financing a portion of its 1968 construction
program which it estimates will amount to \$24,000,000 for the
year. In this proceeding, the company proposes to issue 66,666
shares of its common stock at a price of \$45 per share in consi-
deration for the cancellation of advances totaling \$2,999,970.

The \$45 price is the same as the Commission authorized in connection with the sale of 55,600 shares of such stock by Decision No. 73620, dated January 16, 1968, in Application No. 49794.

After consideration the Commission finds that: (1) the proposed stock issue is for a proper purpose; (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 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, as amended, 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 granted 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. California Interstate Telephone Company, on or after the date hereof and on or before December 31, 1968, for the purpose set forth in the application, as amended, may issue and sell not exceeding 66,666 shares of its \$5 par value common stock at a price of \$45 per share.

2. California Interstate 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 15th day of OCTOBER, 1968.

William Sproule
President

William L. Board

Augusta

Paul P. Monsey
Commissioners