

ORIGINAL

Decision No. 75669

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
)
 CALIFORNIA INTERSTATE TELEPHONE)
 COMPANY)
)
 for an order or orders authorizing)
 applicant to issue shares of its)
 common stock, \$5 par value, for)
 cash or in cancellation of)
 indebtedness.)
)

Application No. 51020
Filed April 21, 1969

O P I N I O N

California Interstate Telephone Company requests an order of the Commission authorizing it to issue and sell not exceeding 44,445 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 company reports that its construction program for the year 1969 aggregates approximately \$23,000,000, and that it must obtain a portion of the funds for financing such program by selling additional common stock.

In this proceeding applicant proposes to obtain approximately \$2,000,000 by selling 44,445 shares of its common stock to its parent company, Continental Telephone Corporation, at a price of \$45 per share. The shares are to be sold either for cash or in cancellation of indebtedness represented by advances from said Continental Telephone Corporation, all used, or to be used, for financing a portion of applicant's construction

program. The \$45 price is the same as the Commission authorized in connection with the sale of 66,666 shares of applicant's common stock by Decision No. 74816, dated October 15, 1968, in Application No. 50543.

After consideration the Commission 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 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 September 30, 1969, for the purposes specified in this proceeding, may issue and sell

not exceeding 44,445 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 20th day of MAY, 1969.

William J. ...
President

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Commissioners