

Decision No. 77396

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 )  
 CONTINENTAL TELEPHONE COMPANY )  
 OF CALIFORNIA, a California )  
 corporation, )  
 )  
 for an order authorizing it to )  
 issue and sell \$10,000,000 )  
 Principal Amount of its First )  
 Mortgage Bonds, Series G )  
 \_\_\_\_\_ )

Application No. 51472  
 Petition for Modification  
 Filed June 5, 1970

SECOND SUPPLEMENTAL OPINION

By Decision No. 76477, dated November 25, 1969, as modified by Decision No. 76846, dated February 20, 1970, in this proceeding, the Commission authorized Continental Telephone Company of California to execute and deliver an Eleventh Supplemental Indenture, and to issue and sell, exempt from competitive bidding, not exceeding \$10,000,000 aggregate principal amount of its First Mortgage Bonds, Series G due 1994. Petitioner seeks authority to issue and sell bonds to mature in 1975 instead of 1994.

The petition shows that under current market conditions the cost of money applicable to five-year bonds would be substantially lower than for the longer term bonds previously authorized in this proceeding. Moreover, the petition indicates that the company does not have any outstanding first mortgage bonds which will become due prior to 1979, and that the 1975 maturity for the Series G bonds will not be burdensome to the utility.

After consideration the Commission finds that the earlier maturity date for the proposed bonds is reasonable. On the basis of this finding we conclude that the petition should be granted. A further public hearing is not necessary.

SECOND SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Continental Telephone Company of California may execute and deliver an Eleventh Supplemental Indenture in the same form, or in substantially the same form, as that filed in this proceeding as Exhibit B with appropriate modifications to provide for bonds maturing in 1975 instead of 1994.

2. The issue and sale by Continental Telephone Company of California of not exceeding \$10,000,000 aggregate principal amount of its First Mortgage Bonds, Series G, to mature in 1975, are hereby exempted from the Commission's competitive bidding rule set forth in Decision No. 38614, dated January 15, 1946, as amended, in Case No. 4761.

3. Continental Telephone Company of California may issue and sell not exceeding \$10,000,000 aggregate principal amount of its First Mortgage Bonds, Series G, to mature in 1975, to a group of underwriters at such price and otherwise upon such terms and conditions as may be negotiated between petitioner and the underwriters.

4. Within thirty days after executing and delivering the Eleventh Supplemental Indenture herein authorized, Continental Telephone Company of California shall file three copies thereof with the Commission.

5. Ordering Paragraph No. 1 of Decision No. 76477, dated November 25, 1969, and Ordering Paragraphs Nos. 1, 2 and 5 of Decision No. 76846, dated February 20, 1970, are hereby rescinded.

6. Decision No. 76477, dated November 25, 1969, as modified by Decision No. 76846, dated February 20, 1970, shall remain in full force and effect, except as further modified by this order.

7. The effective date of this order is the date hereof.

Dated at Los Angeles, California,  
this 23<sup>rd</sup> day of JUNE, 1970.

William S. Jones, Jr.  
President

Augusta  
W. Brown

John  
Sturgeon

James L. Sturgeon  
Commissioners