

Decision No. 77598

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of

GOLDEN WEST TELEPHONE COMPANY,
a California corporation,

for authority to issue and to
renew certain promissory notes.

Application No. 52056
Filed July 22, 1970

O P I N I O N

Golden West Telephone Company seeks an order of the Commission authorizing it to issue promissory notes in the aggregate principal amount of not exceeding \$1,350,000.

Applicant, a subsidiary of Continental Telephone Corporation, is a California corporation furnishing local and toll telephone service in portions of the States of Arizona and California. For the year 1969 the utility reports total operating revenues and net income of \$6,987,500 and \$1,062,925, respectively.

The company reports that as of the filing date of the application its outstanding loans payable to Crocker-Citizens National Bank aggregated \$2,250,000, the proceeds of which had been used to finance applicant's 1969 and 1970 construction program. The utility estimates that on January 31, 1971, not exceeding \$1,350,000 of said loans will have exceeded one year in duration. Prior to January 31, 1971, applicant intends to refund its outstanding bank loans through permanent financing, and it desires authority to issue notes evidencing not exceeding \$1,350,000 of said loans until such date. The

interest rate applicable to the loans is 1/2 of 1% over the bank's prime rate.

After consideration the Commission 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. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The action taken herein shall not 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. Golden West Telephone Company, for the purpose specified in this proceeding, may issue promissory notes in the aggregate principal amount of not exceeding \$1,350,000, and notes refunding said notes, the last of which shall be due and payable not later than January 31, 1971. The notes shall be in the same form, or in substantially the same form, as Exhibit B attached to the application.
2. Within 30 days after issuing any of the notes herein authorized, Golden West Telephone Company shall file with the Commission a copy thereof as actually issued. The filings shall be in lieu of reports required by General Order No. 24-B.

3. This order shall become effective when Golden West Telephone Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$2,350.

Dated at San Francisco, California, this
11th day of AUGUST, 1970.

Augata Chairman
William L. Lucas, Jr.
James M. ...
Thomas L. Sturgeon Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

