

Decision No. 78444

ORIGINAL

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 93,334 shares)
of its Common Stock, \$10 par.)

Application No. 52455
Filed February 19, 1971

O P I N I O N

Western California Telephone Company seeks an order of the Commission authorizing it to issue and sell 93,334 shares of its \$10 par value common stock for an aggregate consideration of \$7,000,050. The company proposes to sell the stock at a price of \$75 per share to General Telephone & Electronics Corporation, the reported owner of 251,925 of the 251,935 shares of applicant's presently outstanding capital stock. Said price per share is the same as that authorized by Decision No. 71724, dated December 20, 1966, in Application No. 48983.

The proceeds to be derived from the proposed stock issue are to be applied toward retiring, in part, short-term loans for additions, betterments and replacements of the company's telephone system, and outstanding when the stock issue proceeds are received.

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 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

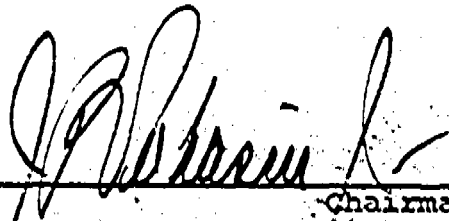
IT IS ORDERED that:


1. Western California Telephone Company, on or after the effective date hereof and on or before July 31, 1971, may issue and sell not exceeding 93,334 shares of its common stock at a price of \$75 per share, and shall expend the proceeds for the purpose set forth in the foregoing opinion.


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. This order shall become effective when Western California Telephone Company has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$8,001.

Dated at San Francisco, California, this 22nd day of MARCH, 1971.



Chairman


Commissioner


Commissioners

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

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
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