

Decision No. 78918

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of )  
CONTINENTAL TELEPHONE COMPANY )  
OF CALIFORNIA, a California )  
corporation, )  
for authority to issue and to )  
renew certain promissory notes. )  
\_\_\_\_\_ )

Application No. 52708  
Filed June 23, 1971

O P I N I O N

Continental Telephone Company of California seeks an order of the Commission authorizing it to issue and renew promissory notes in the aggregate principal amount of not exceeding \$3,500,000.

Applicant is a California corporation furnishing local and toll telephone service in portions of California and Nevada. For the 12 months ended May 31, 1971, it reports operating revenues and net income of \$42,536,515 and \$5,850,444, respectively.

The utility reports that it has outstanding \$13,000,000 of loans payable to Bank of America National Trust and Savings Association, the proceeds of which have been used to finance its 1970 and 1971 construction program. The company intends to refund its outstanding bank loans late in 1971 through the sale of additional preferred stock and first mortgage bonds.

Applicant estimates that the maximum amount of outstanding notes which would represent borrowings exceeding 12 months would be \$3,500,000. New notes would bear interest at the bank's prime rate and would mature not later than November 30, 1971.

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 authorization herein granted is for the purpose of this proceeding only and is not to 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. Continental Telephone Company of California, for the purpose set forth in the application, may issue promissory notes in the aggregate principal amount of not exceeding \$3,500,000, and notes refunding said notes, the last of which shall be due and payable not later than November 30, 1971.

2. Within thirty days after issuing any of the notes herein authorized Continental Telephone Company of California 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 Continental Telephone Company of California has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$4,500.

Dated at [REDACTED] San Francisco, California, this 13<sup>th</sup> day of JULY, 1971.

Chairman

William J. ...  
[Signature]  
Vernon L. Sturgeon

Commissioners

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

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

