

Decision No. 79087

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
))
CONTINENTAL TELEPHONE COMPANY OF)
CALIFORNIA and GOLDEN WEST)
TELEPHONE COMPANY)
))
for an order authorizing (i))
Golden West Telephone Company)
to transfer its business and)
assets to Continental Telephone)
Company of California and (ii))
Continental Telephone Company)
of California to issue its)
securities, to assume the)
liabilities of Golden West)
Telephone Company and to)
encumber properties.)
_____)

Application No. 52493
Petition for Modification
Filed August 5, 1971
and Amendment
Filed August 18, 1971

FIRST SUPPLEMENTAL OPINION

By Decision No. 78709, dated May 25, 1971, in this proceeding, the Commission, among other things, authorized Continental Telephone Company of California to issue not exceeding (a) \$12,000,000 principal amount of its First Mortgage Bonds, Series H (2%) due 1996, and to execute and deliver a Twelfth Supplemental Indenture in connection therewith, and (b) \$4,097,400 principal amount of its 8% Sinking Fund Debentures due 1993, and to execute and deliver an Eighth Supplemental Indenture in connection therewith.

Continental Telephone Company of California now seeks authority to execute and deliver an Exchange Agreement, and revised forms of the Twelfth Supplemental Indenture and Eighth Supplemental Indenture.

The petition, as amended, shows that further negotiations with the Rural Electrification Administration have resulted in (a) a proposed Exchange Agreement providing for the issuance of serial bonds, and (b) certain technical revisions in the proposed Twelfth Supplemental Indenture. In connection with the issuance of the debentures, further examination of the proposed Eighth Supplemental Indenture has resulted in minor modifications thereof.

After consideration the Commission finds that the proposed documents would not be adverse to the public interest. On the basis of this finding we conclude that the petition, as amended, should be granted. A further public hearing is not necessary. The authorization herein granted is not to be construed as concurrence in the reasonableness of serving arrangements or tariff modifications proposed by the Rural Electrification Administration.

FIRST SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Continental Telephone Company of California may execute and deliver a Twelfth Supplemental Indenture, an Eighth Supplemental Indenture, and an Exchange Agreement, which documents shall be in substantially the same forms as Exhibits E (Revision #2), F (Revised), and H (Revised), respectively, filed in this proceeding.

2. Ordering Paragraph No. 4 of Decision No. 78709, dated May 25, 1971, is hereby amended to read as follows:

4. Continental Telephone Company of California, on or after the effective date hereof and on or before December 31, 1971, for the purpose set forth in the application, may issue not exceeding \$12,000,000 principal amount of its Serial First Mortgage Bonds, Series H.

3. Decision No. 78709, dated May 25, 1971, shall remain in full force and effect, except as modified by this order.

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

Dated at San Francisco, California, this 24th day of AUGUST, 1971.

[Signature]
Chairman

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners