

Decision No. 79434

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of WESTERN CALIFORNIA TELEPHONE)
COMPANY, a California corporation,)
for authority to issue unsecured)
promissory notes.)

Application No. 52990
Filed November 11, 1971

O P I N I O N

Western California Telephone Company seeks an order of the Commission authorizing it to issue and deliver renewal promissory notes in an aggregate principal amount of not exceeding \$9,500,000 at any one time outstanding.

Applicant is a California corporation operating telephone systems in portions of the Counties of Marin, Santa Clara, Santa Cruz, Shasta, Siskiyou and Sonoma. By Decision No. 78091, dated December 15, 1970, in Application No. 52314, the Commission authorized the corporation until December 31, 1971, to issue and deliver promissory short-term notes in an aggregate principal amount of not exceeding \$12,375,000, with interest at the prevailing prime rate.

The utility reports that it has issued and delivered certain outstanding 90-day unsecured promissory notes in the aggregate principal amount of \$9,275,000, which notes bear interest at the prevailing prime commercial rate. Applicant

anticipates issuing approximately \$225,000 of similar additional notes during the remainder of 1971. The total of \$9,500,000 would represent an indebtedness originally incurred for obtaining funds to finance capital expenditures or to reimburse applicant's treasury for funds expended for capital purposes.

The company desires authority to continue the \$9,500,000 indebtedness through December 31, 1972, by issuing renewal notes maturing at various dates not exceeding 90 days from the date of issuance and bearing interest at the prevailing 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. Western California Telephone Company, on or before December 31, 1972, for the purpose set forth in this proceeding, may issue and deliver renewal promissory short-term notes in an aggregate principal amount at any one time outstanding of not exceeding \$9,500,000, with interest at the prevailing prime rate.

2. Within thirty days after issuing any of the notes herein authorized, Western California Telephone Company shall file with the Commission a copy thereof as actually issued, which filing shall be in lieu of a report under General Order No. 24-B.

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

Dated at San Francisco, California, this
THN day of DECEMBER, 1971.

[Signature]
Chairman
William Lyons Jr.
[Signature]
Vernon L. Sturgeon
[Signature]
Commissioners