

Decision No. 85476

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Application No. 56223
(Filed January 22, 1976)

O P I N I O N

Continental Telephone Company of California seeks authority to issue and to renew promissory notes in the aggregate principal amount of not exceeding \$11,000,000.

Applicant is a California corporation furnishing local and toll telephone service in portions of Arizona, California and Nevada. For the year 1975 it reports total operating revenues and net income in the respective amounts of \$85,574,318 and \$10,623,607.

The utility reports that it has outstanding \$14,000,000 of loans payable to Bank of America National Trust and Savings Association, the proceeds of which have been used to finance its 1975 construction program and to service debt maturities. The company intends to refund its outstanding bank loans through permanent financing by September, 1976. Applicant estimates that \$11,000,000 would be the maximum amount of outstanding notes to be refunded by new notes which would represent borrowings exceeding 12 months. The new notes would bear interest at the bank's prime rate and would mature not later than December 31, 1976.

After consideration the Commission finds that: (1) the proposed notes would be for a proper purpose; (2) the money, property or labor to be procured or paid for by 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.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. 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 \$11,000,000, and notes refunding said notes. The notes shall bear interest at the prime rate of Bank of America National Trust and Savings Association, and shall be due and payable not later than December 31, 1976.

2. Within thirty days after issuing each note 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 under 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 \$11,500.

Dated at San Francisco, California, this 18th
day of FEBRUARY, 1976.

[Signature]
President
William Sproule, Jr.
Vernon L. Stringer
[Signature]
Commissioners

Labstein
Robert [Signature]
Commissioners

