

CACD/BVC

Decision 90-12-117 December 27, 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of) PACIFIC BELL (U 1001 C), to issue and) sell not to exceed \$2 billion aggregate) principal amount of Debentures and/or) Notes and for an exemption from the) Commission's Competitive Bidding) Rule.)	Application 86-12-056 (Petition for Modification Filed November 14, 1990)
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SUPPLEMENTAL OPINION

This decision grants Pacific Bell (Pacific) the authority requested in its Petition for Modification of Decision (D.) 87-03-070 as modified by D.89-04-068.

Notice of the filing of the Petition for Modification appeared on the Commission's Daily Calendar of November 20, 1990. No protests have been received.

By D.87-03-070, dated March 25, 1987, the Commission authorized Pacific, among other things, to issue, sell and deliver, in one or more series, up to \$2,000,000,000 aggregate principal amount of its debentures and/or notes (Debt Securities) prior to December 31, 1988. By D.89-04-068, dated April 26, 1989, the Commission modified D.87-03-070 to extend the time period of authorization to December 31, 1990.

At the time of Application (A.) 86-12-056 and the resulting decision, interest rates were such that we assumed Pacific would use the entire \$2 billion prior to December 31, 1988. Interest rates, however, rose substantially immediately after D.87-03-070 was issued, causing Pacific to suspend its refinancing activity. As a result, the full \$2 billion remains unused at this time.

Pacific asks to extend the effectiveness of the authorization granted in D.87-03-070, as modified by D.89-04-068, to December 31, 1992 to permit it to issue the Debt Securities should an appropriate drop in interest rates occur.

Findings of Fact

1. Pacific, a California corporation, operates as a public utility under the jurisdiction of this Commission.
2. The proposed two-year extension of time to December 31, 1992, during which Pacific may issue the remaining \$2 billion aggregate principal amount of authorized but unissued Debt Securities under D.87-03-070 would be for proper purposes and would not be adverse to the public interest.
3. There is no known opposition to the proceeding and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.
2. The Petition for Modification should be granted to the extent set forth below.
3. The following order should be effective on the date of signature to enable Pacific to proceed with its financings expeditiously.

S U P P L E M E N T A L O R D E R

IT IS ORDERED that:

1. The authority granted to Pacific Bell by Decision (D.) 87-03-070 is modified to extend the time period of authorization to December 31, 1992.

2. The Petition for Modification is granted as set forth above.

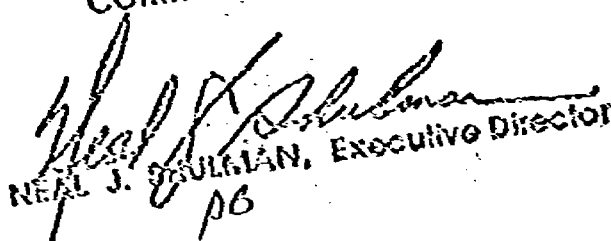
3. In all other respects, D.87-03-070 remains in full force and effect.

This supplemental order is effective today.

Dated December 27, 1990, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


NEAL J. SULLIVAN, Executive Director
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