

RR/CFF/TCG/WPSC

Decision 83 11 058 NOV 22 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of General Telephone)
 Company of California to issue)
 and sell not exceeding 3,750,000)
 shares of its Common Stock (\$20)
 par value); \$50,000,000 par or)
 stated value of Preferred Stock;)
 and to issue, sell, and deliver)
 one or more series of its First)
 Mortgage Bonds, debentures,)
 promissory notes and/or other)
 evidences of indebtedness in an)
 aggregate principal amount)
 outstanding at any one time not)
 exceeding \$150,000,000 and to)
 execute and deliver one or more)
 Supplemental Indentures, with)
 the aggregate amount of said)
 securities, or any combination)
 thereof, not to exceed)
 \$225,000,000.)

Application 83-09-48
(Filed September 16, 1983)

O P I N I O N

General Telephone Company of California (General)
 requests the Commission to modify Decision (D.) 83-02-041 dated
 February 16, 1983, in Application (A.) 82-11-11. The modification
 will permit the securities authorized for issuance and sale to be
 registered by General with the Securities and Exchange Commission
 (SEC) pursuant to SEC Rule 415 and to extend the expiration date of
 D.83-02-041 to December 31, 1984.

Summary of Decision

This decision grants General the authority requested in the application.

Notice of the filing of the application appeared on the Commission's Daily Calendar of September 22, 1983. No protests have been received.

The Commission by D.83-02-041 authorized, General among other things, to issue and sell on or before December 31, 1983, in any combination, up to \$225,000,000 aggregate principal amount of the securities listed as follows:

1. Up to \$75,000,000 aggregate principal amount of General's common stock (3,750,000 shares), \$20 par value, for cash to GTE Corporation, parent and holder of all of General's outstanding common stock;
2. Up to \$50,000,000 of General's preferred stock, par or stated value in one or more series, for cash; and/or
3. Up to \$150,000,000 aggregate principal amount of General's first mortgage bonds (New Bonds), debentures, promissory notes, and/or other evidences of indebtedness (collectively referred to as debt securities) in one or more series, by means of either competitive bidding, negotiated public offering, or private placement.

By this application, General requests modification of D.83-02-041 to permit the delayed and/or continuous offering of the securities as allowed by the SEC Rule 415 Shelf Registration procedure. Also, General requests modification of D.83-02-041 to permit the issuance and sale of the authorized securities on or before December 31, 1984.

SEC Rule 415 permits the registration of securities for an offering to be made on a continuous or delayed basis in the future, provided that the amount of securities registered is not more than is reasonably expected to be offered and sold within two years from the initial date of the registration statement. The advantages of registering securities under Rule 415 are as follows:

1. Once the SEC indicates the registration is approved or made effective, all the securities can be priced and sold at any time thereafter.
2. A portion of the securities that were registered can be tailored to market terms and conditions and sold at any time and the remaining balance issued at a later time as required.
3. Periodic market "windows" can be entered quickly at advantageous prices and rates to the issuer.
4. Attractive offers can also be accepted from institutional purchasers and filled from the securities registered under Rule 415.

Registration under Rule 415 provides an issuer with a mechanism whereby it can achieve greater flexibility in marketing securities. Granting the authorization requested will give General maximum flexibility in marketing the authorized securities to take the greatest advantage of favorable market terms and conditions.

SEC Rule 415 allows for registration of securities in an amount reasonably expected to be offered and sold within two years from the initial date of the registration statement. Extension of the time period for issuance and sale of the authorized securities from December 31, 1983 to December 31, 1984 would allow General to take full advantage of the Shelf Registration procedure over a sixteen-month period rather than for four months only.

The Commission's Revenue Requirements Division has reviewed General's request to modify D.83-02-041. The Division has no objection to General's request for an extension of time and to issue its securities under the procedures established by the SEC's Rule 415 Shelf Registration. The Division recommends that General's request be granted.

Findings of Fact

1. General, a California corporation, operates under the jurisdiction of this Commission.

2. The issuance and sale of the securities authorized by Commission D.83-02-041 that may be sold under the terms and conditions set forth in that decision, and/or the proposal that General may, at its option, register the securities under SEC Rule 415 Shelf Registration procedure to permit the delayed or continuous offering of the securities would be for proper purposes and not adverse to the public interest.

3. The proposed extension of time for issuance and sale of the securities authorized by Commission D.83-02-041 from December 31, 1983 to December 31, 1984 appears reasonable and not adverse to the public interest.

4. There is no known opposition and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.
2. The application should be granted to the extent set forth in the order which follows.
3. The following order should be effective on date of signature to enable General to issue its securities expeditiously.

O R D E R

IT IS ORDERED that:

1. Decision (D.) 83-02-041 dated February 16, 1983 in General Telephone Company of California's (General) Application (A.) 82-11-11 shall be modified as follows:

- a. That the date appearing in Ordering Paragraph 1 be changed from "December 31, 1983" to read "December 31, 1984."
- b. That the last sentence in Ordering Paragraph 1 be changed to read "The securities shown above may be sold under the terms and conditions set forth in the application and General may at its option, register the securities under the SEC Rule 415 Shelf Registration procedure to permit delayed and/or continuous offering of the securities."

2. In all other respects, D.83-02-041 dated February 16, 1983 in A.82-11-11 remains in full force and effect.

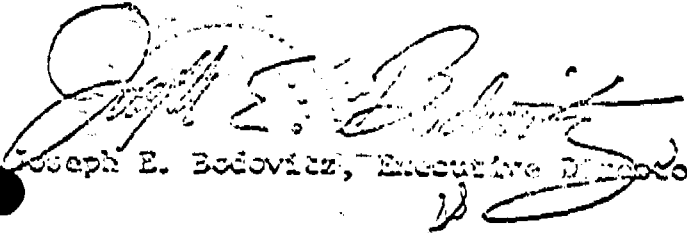
This order is effective today.

Dated NOV 22 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
WILLIAM T. BAGLEY
Commissioners

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


Joseph E. Bodovitz, Executive Director

Commissioner Donald Vial, being necessarily absent, did not participate.