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Decision No. 89000 JUN 27 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE )	
AND TELEGRAPH COMPANY, to issue and )	Application No. 57888
sell through competitive bidding not )	(Filed February 24, 1978)
to exceed \$300,000,000 principal )	and
amount of Forty Year Debentures due )	Petition for Modification
May 15, 2018, and to execute and )	(Filed June 14, 1978)
deliver an Indenture. )	

SUPPLEMENTAL OPINION AND ORDER

By Decision No. 88662 dated April 4, 1978 in this proceeding the Commission authorized The Pacific Telephone and Telegraph Company (TPT&T) to execute and deliver an Indenture and to issue, sell and deliver, at competitive bidding, not exceeding \$300,000,000 principal amount of Forty Year Debentures due May 15, 2018, on or before July 31, 1978. By petition for modification filed June 14, 1978, TPT&T has informed us that the sale of debentures will not take place until July 11, 1978 and has requested that we modify Decision No. 88662 to permit changes in the due date, indenture date, and other relevant dates to conform to the revised schedule for sale of the debentures.

The Commission finds that the July 11 sale date is within the time limit set in Decision No. 88662 and that the proposed date changes are without controversy. Because of time constraints the effective date of this supplemental order should be the date hereof.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Ordering Paragraphs Nos. 1, 2, and 3 of Decision No. 88662 are hereby amended to read as follows:

1. The Pacific Telephone and Telegraph Company may execute and deliver an Indenture in substantially the same form as that attached to the application as Exhibit B with appropriate changes applicable to Forty Year Debentures due July 15, 2018.

2. The Pacific Telephone and Telegraph Company may issue, sell and deliver, at competitive bidding, not exceeding \$300,000,000 principal amount of Forty Year Debentures due July 15, 2018, on or before July 31, 1978, at the price offered in the bid which will result in the lowest annual cost of money to it, as provided for in the Statement of Terms and Conditions Relating to Bids, a copy of which is attached to the application as a part of Exhibit D.

3. The Pacific Telephone and Telegraph Company shall use the proceeds of the issuance and sale of not exceeding \$300,000,000 principal amount of its Forty Year Debentures due July 15, 2018, for the purposes stated in the application. The accrued interest may be used for such purposes or for general corporate purposes.

2. In all other respects, Decision No. 88662 shall remain in full force and effect.

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

Dated at San Francisco, California, this 27<sup>th</sup> day of JUNE 7, 1978.

William S. Quinn, Jr. President  
Vernon L. Stutzman  
Robert D. Goshall  
Clair T. Durrill  
Commissioners

Commissioner Robert Batinevich, being necessarily absent, did not participate in the disposition of this proceeding.