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Decision No. 92759 MAR 3 1981**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of General Telephone Company of California to issue and sell not exceeding 4,500,000 shares of its Common Stock (\$20 par value); to issue and sell not exceeding \$50,000,000 par or stated value of Preferred Stock; and to issue and sell not exceeding \$250,000,000 principal amount of First Mortgage Bonds in one or more series, and to execute and deliver a Supplemental Indenture(s).

Application No. 60163  
(Filed December 30, 1980)

SUPPLEMENTAL OPINION

Decision No. 92713 dated February 18, 1981, authorized General Telephone Company of California (General), among other things, to issue and sell up to \$250,000,000 aggregate principal amount of its First Mortgage Bonds (New Bonds), in one or more series. This authority exempted General from the Commission's competitive bidding rule set forth in Decision No. 38614, dated January 15, 1946, as amended in Case No. 4761, for the limited purpose of permitting General's New Bonds, or any series thereof, to be sold by private placement.

The competitive bidding rule requires, among other things, newspaper publication of an invitation for bids not less than five days prior to the opening of bids unless a shorter time is authorized by the Commission.

General, by letter dated February 5, 1981, requests a supplemental order amending Decision No. 92713 to shorten to one day the period between the publication of the invitations for bids and the opening of bids for the respective offerings contemplated. The letter indicates that because of the volatility of the financial markets, decisions, relative to the method by which financing will

take place, must be made as close as possible to the date of sale. General states that this condition requires the company to have the flexibility to advertise for invitation of written bids as close as possible to the date of sale in the event the New Bonds are sold by competitive bidding. By reducing the time period for advertising to not less than one day, General states it will have the flexibility to make a financing decision as to whether or not to proceed with competitive bidding. Further, if market conditions require a deferral of the financing, General will have the flexibility to select the most advantageous new date for the sale.

The authority sought by General is pursuant to Section 701 of the Public Utilities Code.

Under the circumstances, the Commission finds that General's request is reasonable and would not be adverse to the public interest. A public hearing is not necessary. The Commission concludes that General's request be granted. The following order should be effective the date of signature to enable General to issue its New Bonds expeditiously.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Ordering Paragraph No. 6 of Decision No. 92713 is hereby amended to read as follows:

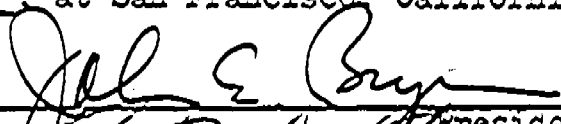
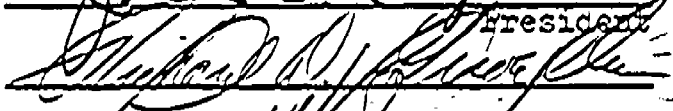


1. On or before December 31, 1981, General Telephone Company of California may issue, sell, and deliver for cash, in one or more series, its First Mortgage Bonds in the aggregate principal amount not to exceed \$250,000,000 at a price obtained by private placement or, if by competitive bidding, at the price offered in a bid which would result in the lowest annual cost of money to it calculated in the manner provided in the Invitation for Bids, a copy of which, in

substantially the form to be used, is attached to the application as a part of Exhibit D. The time period between the publication of the public invitation for bids and the opening of bids, if required, shall be not less than one day.

2. In all other respects, Decision No. 92713 shall remain in full force and effect.

The effective date of this order is the date hereof.

Dated MAR 3 1981 at San Francisco, California.

  
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President  
  
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Commissioners