

ORIGINAL

Decision 93322 JUL 22 1981

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 ex-)
 ceeding \$250,000,000 principal)
 amount of First Mortgage Bonds)
 in one or more series, and to)
 execute and deliver a Supple-)
 mental Indenture (s).)

Application 60163
 (Filed December 30, 1980)
 Petitions for Modification
 (Filed December 30, 1980,
 February 25, and June 1, 1981)

SUPPLEMENTAL OPINION

Decision (D.) 92713 dated February 18, 1981, as supplemented by D.92759 dated March 3, 1981, and D.92876 dated April 7, 1981, granted General Telephone Company of California (General), among other things, the authority to issue and sell up to \$250,000,000 principal amount of its First Mortgage Bonds (New Bonds).

General requests D.92713, 92759, and 92876 be further modified to also authorize the company to sell debentures, promissory notes, and/or other evidences of indebtedness as well as the New Bonds.

The authority is sought under Public Utilities (PU) Code Section ^{1708.} ~~701.~~ Notice of the filing of the Petition for Modification

of D.92713, 92759 and 92876 appeared on the Commission's Daily Calendar of June 6, 1981. No protests have been received.

General sets forth various reasons to justify its request to issue and sell debentures, promissory notes, and/or other evidences of indebtedness as well as the New Bonds. General indicates that with the current volatile state of the financial markets, highly selective lenders, substantial competition for available funds, and General's deteriorating credit status, it will be better able to attract funds at reasonable cost if it has the flexibility to borrow funds in the form of debentures, promissory notes, and/or other evidences of indebtedness as well as first mortgage bonds.

Granting the authorization requested will give General the flexibility to more quickly borrow funds that might otherwise not be available in the time frame necessary to complete a secured transaction. The requested authorization will also give General a broader base from which to attract additional kinds of lenders, some of whom lend funds only on an unsecured basis.

Under the circumstances, the Commission finds that General's request is reasonable and not adverse to the public interest. A public hearing is not necessary. The Commission concludes that General's request should be granted.

The following Supplemental Order should be effective the date of signature to enable General to proceed with its authorized financing expeditiously.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. The Ordering Paragraphs of Decisions 92713, 92759, and 92876 which contain the words "First Mortgage Bonds" are amended by changing the words "First Mortgage Bonds" to read "First Mortgage Bonds, debentures, promissory notes, and/or other evidences of indebtedness."

2. In all other respects, Decisions 92713, 92759, and 92876 shall remain in full force and effect.

This order is effective today.

Dated JUL 22 1981, at San Francisco, California.

John E. Boyer
President
Richard D. Howell
James M. Jones
Victor Calvo
Francis E. Green
Commissioners