

TELESP HOLDING CO
Form 6-K
December 14, 2010

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

For the month of December, 2010

Commission File Number: 001-14475

TELESP HOLDING COMPANY

(Translation of registrant's name into English)

**Rua Martiniano de Carvalho, 851 21o andar
São Paulo, S.P.
Federative Republic of Brazil**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

TELESP HOLDING COMPANY

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Item

1. *Press Release entitled Telecomunicações de São Paulo S.A. Telesp Announces of Interest on Own Capital's Credit* dated on December 14, 2010.
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(Sao Paulo Brazil; December 14, 2010) Telecomunicações de São Paulo S. A. Telesp (NYSE: TSP; BOVESPA: TLPP) announces to its shareholders that the Board of Directors, at its meeting held on December 14, 2010, deliberated, ad referendum of the General Shareholders Meeting, the credit of Interest on Own Capital related to the fiscal year of 2010, in accordance to the article 28 of the Company's Bylaws, the article 9 of the Law# 9,249/95 and CVM's Instruction# 207/96, in the amount of R\$202,000,000.00 (two hundred and two million reais), subject to withholding tax of 15%, resulting in a net amount of R\$171,700,000.00 (one hundred and seventy one million, seven hundred thousand reais), according to the following table.

Also in accordance to the Board of Directors' deliberation, the Interest on Own Capital will be accounted by the Company on December 30, 2010.

The correspondent credit will be accounted on individual basis for each shareholder and in accordance to the shareholder registry book position by the end of the day, on December 30, 2010. As of this date, the shares will be considered as ex-Interest on Own Capital. The payment of these Interest on Own Capital will be carried out starting until the end of fiscal year of 2011, in a date to be determined by the Company's Board.

In accordance to the article 28 of the Company's Bylaws, such Interest on Own Capital may be charged to the mandatory minimum dividend for the fiscal year of 2010, ad referendum of the General Shareholders Meeting.

The Immune or Exempt Legal Entities, according to the current legislation, must provide proof of such condition until January 15, 2011 to the Departamento de Ações e Custódia of Banco Bradesco S.A., the depositary bank, located at Cidade de Deus, Amarelo Velho Building, subsoil Vila Yara Zip code: 06029-900 Osasco SP.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TELESP HOLDING COMPANY

Date: December 14, 2010

By:

/s/ Norair Ferreira do Carmo

Name: Norair Ferreira do Carmo

Title: Investor Relations Director
