

Decision No. 12256

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
the DEL NORTE PEOPLES TELEPHONE COM-)
PANY (a Corporation) for consent to) Application Number 8198.
issue a certain mortgage and note.)

G. W. Manley, for Applicant.

BRUNDIGE, COMMISSIONER:O P I N I O N

In this application, Del Norte Peoples Telephone Company asks permission to execute a mortgage and to issue a five year, eight per cent. note in the principal amount of \$4,000.00 for the purpose of obtaining funds to refund outstanding indebtedness and to pay the cost of additions and improvements.

The record shows that applicant has outstanding notes aggregating \$1,000.00 which are about to fall due. It appears that the indebtedness represented by these notes was incurred originally in 1916 in the purchase of the properties of Chetco Southern Telephone Company, as authorized by Decision Number 3247, dated April 10, 1916, (Vol. 9, Opinions and Orders of the Railroad Commission of California, page 696.) It is now proposed to refund these notes.

In addition, the company reports that it will need \$3,000.00 for improvements and betterments. Of this amount, \$1,500.00 will be used for the extension and betterment of its Crescent City Exchange outside plant, and \$1,500.00 for rebuilding and improving

twenty-one miles of its toll line from Crescent City to Trinidad.

G. W. Manley, applicant's secretary and general manager, testified that there is an increasing demand for additional services and facilities in Crescent City, which must be met. In his opinion between twenty and thirty new subscribers can be immediately obtained. Mr. Manley further testified that a large portion of the company's revenues is obtained from toll service, and that the line extending southward from Crescent City was in unsatisfactory condition. To re-locate twenty-one miles of this line on the state highway and to provide for additional poles will cost about \$1,500.00 and will result in a saving in maintenance charges and in better service.

Applicant is of the opinion that its revenues will be ample to take care of its increased fixed charges.

I herewith submit the following form of order:-

O R D E R

DEL NORTE PEOPLES TELEPHONE COMPANY having applied to the Railroad Commission for permission to execute a mortgage and to issue a note, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purposes specified herein, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Del Norte Peoples Telephone Company be, and it is hereby, authorized to execute a mortgage substantially in the same form as that filed with the petition herein as Exhibit "B" and to issue at not less than par a note in the principal amount of \$4,000.00.

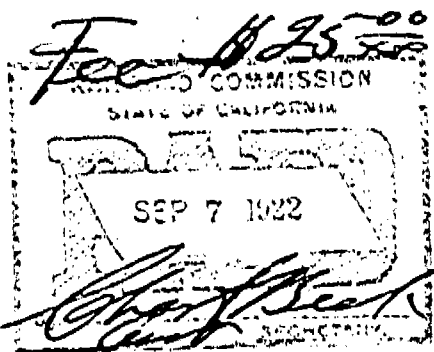
The authority herein granted is subject to further conditions as follows:-

1. The note herein authorized shall bear interest at not exceeding eight per cent. per annum and shall mature on or before five years after date of issue.
2. The proceeds from the issue of the note herein authorized may be used to refund the indebtedness and to pay for the improvements, additions and betterments to which reference is made in this application and in the foregoing opinion.
3. The authority herein granted to execute a mortgage is for the purpose of this proceeding only and is granted only in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval as to such other legal requirements to which said mortgage may be subject.
4. Applicant shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable is made a part of this order.
5. The authority herein granted will not become effective until applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

6. The authority herein granted will apply only to such mortgage as may be executed and to such note as may be issued on or before December 31, 1922.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 7th day of September, 1922.



H. B. Brundage
Dwight Martin
J. P. Benedict

Commissioners.