

Decision No. 42184

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Supplemental  
Application

of

COACHELLA VALLEY HOME TELEPHONE &  
TELEGRAPH CO., a California Cor-  
poration, for an  
order authorizing it (a) to execute  
and deliver a note for \$125,000.00,  
at 4½% interest per annum to the  
Pacific Mutual Life Insurance Com-  
pany under existing loan agreement  
and mortgage, Application #29730  
Decision #42116; (b) to apply the  
proceeds from said note to the com-  
pletion of improvements and exten-  
sions herein referred to, to dis-  
charge certain obligations and to  
reimburse the treasury.

Application  
No. 29730  
(First Supplemental)

FIRST SUPPLEMENTAL OPINION AND ORDER

Under the authority granted by Decision No. 42116 dated October 11, 1948, Coachella Valley Home Telephone & Telegraph Co., issued its note for \$150,000 and executed a loan agreement with Pacific Mutual Life Insurance Company under the terms of which it can borrow up to \$350,000 on or before December 31, 1950. The note was issued to the Insurance Company pursuant to the terms of the loan agreement.

The company now reports that it is necessary for it to borrow under the loan agreement an additional \$125,000 to carry out its construction program and to meet its obligations. In Exhibit "D" attached to its First Supplemental Application in this proceeding, it reports its estimated capital requirements for the period from July 1, 1949 to June 30, 1950 as follows:

Central Office Equipment		
Palm Village		
100 Line Addition	\$12,000.00	
Trunks	7,000.00	
Indio		
100 Line Addition	11,000.00	
Trunks	3,000.00	
1000 Palms		
New Central Office	2,200.00	
Station Equipment		
600 New Sub. sets	27,000.00	
25 New Pay Stations	4,325.00	
Pole Line		
1000 Poles	12,000.00	
Cable		
Indio	15,000.00	
Other	5,000.00	
Open Wire		
200 Miles	10,000.00	\$108,525.00
Accounts Payable		
For Capital Expenditures	30,944.14	
Notes Payable	45,000.00	75,944.14
		\$184,469.14
Less Net Profit	33,000.00	
Less Depreciation	21,600.00	54,600.00
		\$129,869.14
	Total	

The moneys to be thus borrowed will be represented by a note for \$125,000 in favor of Pacific Mutual Life Insurance Company, bearing interest at the rate of 4½% per annum, and maturing on September 1, 1968.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary, that the money, property or labor to be procured or paid for through the issue of said note is reasonably required for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Coachella Valley Home Telephone & Telegraph Co., after the effective date hereof and on or before October 31, 1949, may issue its promissory note in the principal amount of

\$125,000, in substantially the same form as the note filed with the First Supplemental Application in this proceeding as Exhibit "E", and use the proceeds to pay indebtedness, to reimburse its treasury, and to finance, in part, the estimated expenditures for extensions and improvements to its plants and properties referred to herein.

2. Coachella Valley Home Telephone & Telegraph Co. shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when Coachella Valley Home Telephone & Telegraph Co. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$125.00.

Dated at San Francisco, California, this 9<sup>th</sup> day of August, 1949.

R. E. [Signature]  
[Signature]  
[Signature]  
Commissioners

