

ORIGINAL

Decision No. 45143

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 corporation, for an order)	
authorizing it (a) to execute and deliver a	:	
note for \$75,000.00 at 4 $\frac{1}{2}$ % interest per annum)	
to the Pacific Mutual Life Insurance Company	:	
under existing loan agreement and mortgage,)	Application
Application No. 29730 Decision No. 42116;	:	No. 29730
(b) to apply the proceeds from said note to)	(Second
the completion of improvements and extensions	:	Supplemental)
herein referred to, to discharge certain obli-)	
gations and to reimburse the treasury.	:	
-----)	

SECOND SUPPLEMENTAL OPINION AND ORDER

Under authority granted by Decision No. 42116, dated October 11, 1948, and by Decision No. 43184, dated August 9, 1949, Coachella Valley Home Telephone & Telegraph Co. executed a loan agreement with Pacific Mutual Life Insurance Company providing for an authorized credit of \$350,000, and it issued, in the aggregate, promissory notes in the principal amount of \$275,000, under and pursuant to the terms of said agreement, for the purpose of paying indebtedness and of financing the cost of extensions and improvements to its plants and properties.

In its second supplemental application filed in this proceeding, the company reports that it desires to borrow the remaining \$75,000 authorized by the loan agreement. It appears that it has need for such funds to pay, in part, notes and accounts payable of approximately \$106,000, which have been incurred for additions to its plant during 1950, and to finance, in part, estimated expenditures of approximately \$201,000 to be made in 1951 for capital purposes.

The \$75,000 applicant now proposes to borrow will be represented by a note in favor of Pacific Mutual Life Insurance Company, bearing interest at the rate of $4\frac{1}{4}\%$ 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 application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required by applicant 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 March 31, 1951, may issue its promissory note in the principal amount of \$75,000, as indicated herein, and use the proceeds for the purposes set forth in the second supplemental application filed in this proceeding.

2. Applicant 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 applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is seventy-five (\$75.00) dollars.

Dated at San Francisco, California, this 19th day of December, 1950.



[Handwritten signatures of three commissioners]

 Commissioners