

ORIGINAL

Decision No. 48325

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SAN JOAQUIN TELEPHONE COMPANY, a	=	Application
California Corporation, for authority)	No. 33964
to issue a note or notes in the amount	=	(First Supplemental)
of \$45,625.00.)	
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FIRST SUPPLEMENTAL OPINION

San Joaquin Telephone Company has filed a first supplemental application in this proceeding requesting the Commission to increase from \$45,625 to \$55,625 the authorization to issue notes which was granted it by Decision No. 48274, dated February 17, 1953.

By said decision, the Commission authorized applicant, among other things, to issue a note or notes in the principal amount of \$45,625 for the purpose of paying outstanding indebtedness representing funds used for the acquisition of properties and for materials used for the construction and improvement of its plant and facilities, such note or notes to be secured under applicant's presently outstanding chattel mortgage and to be payable in monthly installments of \$100, or more, with interest at not exceeding 6% per annum.

Applicant now reports that it has need for additional funds to finance the cost, estimated at \$10,000, of a detailed inventory and appraisal of its telephone plant and equipment, that it does not have the funds on hand and that it desires to use the increased loan for this purpose.

The Commission recently has reviewed applicant's operations. In Decision No. 48147, dated January 13, 1953, it authorized applicant to make certain increases in rates. In that decision, the Commission

stated in part as follows:

"The record in this proceeding is replete with instances of erroneous accounting entries. Applicant's plant accounts are in such poor condition that it has authorized a consulting engineer to make a plant inventory and appraisal. It is clear that in numerous respects the books and records of applicant are unreliable. In this latter connection we are constrained to point out that it ill behooves any utility to come before this Commission praying for rate relief when its records are in such disorder that all of the facts may not readily be determined."

It appears that applicant is endeavoring to correct the conditions indicated in the Commission's decision. An inventory and appraisal such as is here contemplated, when completed, should provide accurate data for recording retirements in the future and no doubt will provide a statement which may be used as a basis for future long-term financing and which will facilitate the Commission's review of applicant's rates and charges. In our opinion, the issue of the additional note is required by applicant for the purpose indicated and an order will be entered granting its request.

The action taken herein shall not be construed as binding the Commission to recognize, for use in future rate or other proceedings, the results set forth in the inventory and appraisal or the expenditure to be made in connection with the preparation of the same.

FIRST SUPPLEMENTAL ORDER

The Commission having considered the first supplemental application filed in this proceeding, and being of the opinion that a further hearing is not necessary and that the request of applicant should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. San Joaquin Telephone Company, on and after the effective date hereof and on or before June 30, 1953, may issue its note in the principal amount of \$10,000, in addition to the note or notes of \$45,625 heretofore authorized by Decision No. 48274, dated February 17, 1953, and use the proceeds for the purpose indicated in the first supplemental application filed in this proceeding.

2. Applicant shall file with the Commission monthly 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 minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this th 24 day of March, 1953.

R. J. ...
 President

Justin J. ...

Harold ...

Walter ...

John E. ...
 Commissioners

