

**ORIGINAL**

Decision No. 49172

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
	:	
THE VOLCANO TELEPHONE COMPANY	)	Application
	:	No. 34199
to borrow money and issue its notes	)	(First Supplemental)
therefor and to issue stock.	:	
-----	)	

FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 48597, dated May 19, 1953, the Commission authorized The Volcano Telephone Company, among other things, to enter into a loan agreement with Stromberg-Carlson Company and to issue notes in the aggregate amount of \$60,000 for the purpose of paying indebtedness and of financing the cost of additions and improvements.

In its first supplemental application filed in this proceeding, applicant reports that it has found it necessary to increase its borrowings to \$65,000 to take care of telephones, materials and supplies in addition to the initial estimate which are said to be necessary to carry out the improvement program outlined in this matter. A summary of the expenditures as originally and as presently estimated, is as follows:

	<u>Revised</u> <u>Estimate</u>	<u>Original</u> <u>Estimate</u>
XY equipment	\$11,300	\$11,000
Telephones and dials	9,000	7,000
Material and supplies	23,000	22,000
Building	1,700	2,000
Refunding of debt	10,000	10,000
Labor	5,000	5,000
Carrier equipment	<u>5,000</u>	<u>3,000</u>
Totals	<u>\$65,000</u>	<u>\$60,000</u>

It appears that Stromberg-Carlson Company has agreed to advance the additional \$5,000 and accordingly applicant has requested the Commission to enter its supplemental order approving the additional borrowing.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicant for the purposes specified herein, that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that applicant's request should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. The Volcano Telephone Company may execute and enter into a loan agreement with Stromberg-Carlson Company providing for advances in the total amount of not exceeding \$65,000.

2. The order in Decision No. 48597, dated May 19, 1953, hereby is modified so as to permit The Volcano Telephone Company to issue interim notes, pursuant to the terms of said loan agreement with Stromberg-Carlson Company and for the purposes set forth in this first supplemental opinion and order, in the aggregate amount of not exceeding \$65,000 at any one time outstanding, and thereafter to issue its final note, as set forth in said agreement, in the principal amount of not exceeding \$65,000 in replacement or payment of interim notes of like amount.

3. The authority herein granted will become effective when The Volcano Telephone Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 6<sup>th</sup> day of October, 1953.

*A. Z. ...*  
President

*James J. ...*

*...*  
*...*

Commissioners

