

Decision No. 49991

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
COLFAX TELEPHONE EXCHANGE, a corporation,)
for authority:)

1. To enter into a loan agreement with)
the United States of America under and)
pursuant to the Rural Electrification Act)
of 1936, as amended, acting through the)
administrator of the Rural Electrification)
Administration (REA);)

2. To execute its promissory note to)
said United States of America in the sum)
of \$120,000.00, said obligation to bear)
interest at the rate of 2% per annum;)

3. To execute and deliver a mortgage of)
realty and chattels covering all of the)
properties of applicant as security for the)
payment of said obligation;)

4. To apply the proceeds derived from)
said note to the expansion, rehabilitation)
and improvement of the plant, plant facil-)
ities, and of said system.)
-----)

Application
No. 34274
(Requisition
for Loan Funds)

SECOND SUPPLEMENTAL ORDER

On April 22, 1954, Colfax Telephone Exchange filed with the Commission a copy of a requisition on the Rural Electrification Administration for an advance of funds in the amount of \$16,810.95 to finance the cost of plant acquisitions and to pay engineering and other expenses.

By Decision No. 48810, dated July 14, 1953, and by Decision No. 49839, dated March 30, 1954, the Commission authorized Colfax Telephone Exchange to issue \$228,000 of notes to the United States of America, acting through the Rural Electrification Administration, for the purpose of financing the cost of improvements and additions to its plants and of extensions to its lines to provide service for new customers. The authorization of the Commission required applicant to file for approval a copy of each requisition for an advance of funds under the loan contract.

The company's construction budget and the amounts it now proposes to draw down and disburse are as follows:

	<u>Construction Budget</u>	<u>Requested Advances</u>
Central office equipment	\$ 43,000	\$ -
Outside plant	79,000	6,546.57
Station equipment	43,200	-
Land and buildings	12,000	850.00
Other equipment	4,200	3,040.36
Overhead	11,790	462.97
Engineering	13,500	5,911.05
Working capital	3,000	-
Removal costs	5,997	-
Materials and supplies	1,700	-
Contingencies	<u>10,613</u>	<u>-</u>
Totals	<u>\$228,000</u>	<u>\$16,810.95</u>

Upon reviewing the requisition we are of the opinion that an order should be entered approving it; therefore,

IT IS HEREBY ORDERED that the requisition of Colfax Telephone Exchange to draw down \$16,810.95 of proceeds from the issue of the notes authorized by Decision No. 48810 and by Decision No. 49839 is hereby approved and Colfax Telephone Exchange is hereby authorized to disburse said sum of \$16,810.95 for the purposes indicated in said requisition.

This second supplemental order will become effective upon the date hereof.

Dated at San Francisco, California, this 4th day of May, 1954.

Walter L. Mitchell
President

Justin F. Calmer
Louise J. Gattes
Deane Duggins

Commissioners