## ORIGINAL

Decision No. \_\_\_\_50418

A. 34274 MMW

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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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 scid 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 facilities, and of said system. Application NO. 34274 (Requisition for Loan Funds)

## THIRD SUPPLEMENTAL ORDER

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 extensions to its plants and of extensions to its lines to provide service for present and prospective 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. Heretofore, the Commission has approved expenditures of \$16,810.95.

Applicant now seeks approval for additional expenditures of \$43,758.32 from the loan funds. A statement showing the estimated expenditures, the requisitions heretofore approved and the amount now requested, is as follows:

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	Estimated <u>Expenditures</u>	Requisitions <u>Approved</u>	Amount <u>Requested</u>
Central office equipment	\$ 43,000	\$	÷
Outside plant	79,000	6,546.57	760.41
Station equipment	43,200	· • •	35,000.00
Land and buildings	12,000	850.00	2,000.00
General overhead	11,790	462.97	1,173.88
Engineering	13,500	5,911.05	3,624.03
Operations equipment	4, 200	3,040.36	1,200.00
Working capital	10,697	·	
Contingencies	10,613	<u></u>	<u> </u>
Totals	\$228,000	<u>\$16,810,95</u>	<u>\$43,758,32</u>

Upon reviewing this 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 \$43,758.32 of proceeds from the issue of the notes authorized by Decision No. 48810 and by Decision No. 49839 hereby is approved, and Colfax Telephone Exchange hereby is authorized to disburse said sum of \$43,758.32 for the purposes indicated in said requisition.

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

Dated at San Francisco, California, this 17th day of August, 1954.

Commissioners