

ORIGINAL

Decision No. 50799

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of The Western Telephone)	
Company for authority to issue notes	:	Application
up to an aggregate amount of \$600,000.)	No. 35498
-----	:	(First Supplemental)

FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 50187, dated June 29, 1954, in the above entitled matter, the Commission authorized The Western Telephone Company to issue \$600,000 of its unsecured 4-1/2% notes, due June 30, 1957, for the purpose of financing the cost of plant and equipment and of paying indebtedness, but held in abeyance the request of the company for approval of permanent financing pending the completion of the application. Applicant had reported its requirements at \$600,000 to pay outstanding notes of \$350,000 and to provide \$250,000 to construct dial exchanges at Willow Creek and Hayfork, to convert the existing Weaverville exchange to dial operation, and to pay for other additions and improvements to its properties.

In a first supplemental application filed in this proceeding, applicant reports that it desires to execute a loan agreement with Stromberg-Carlson Credit Corporation under the terms of which there will be advanced to it the sum of \$600,000 to provide it with long-term capital to replace its short-term borrowings, such borrowings to be represented by notes payable in 240 monthly installments, with interest at the rate of 5-1/4% per

annum, and to be secured by a mortgage of the telephone facilities. Applicant has requested the Commission to make a further order in this proceeding with respect to the additional financing.

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

IT IS HEREBY ORDERED as follows:

1. The Western Telephone Company may enter into a loan agreement with Stromberg-Carlson Credit Corporation and may execute a mortgage, in, or substantially in, the same form as the documents filed in this proceeding and, in accordance with the terms of such loan agreement, may issue its promissory note, or notes, in the aggregate amount of \$600,000 for the purpose of refinancing existing indebtedness incurred by applicant in carrying on its program of additions and improvements to its telephone plant.

2. The Western Telephone Company 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.

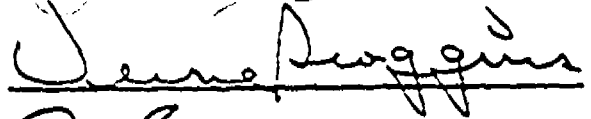
3. The authority herein granted will become effective upon the date hereof.

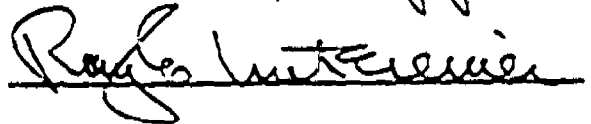
Dated at San Francisco, California, this 30th day of November, 1954.



President







Commissioners