

**ORIGINAL**

Decision No. 54236

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SIERRA TELEPHONE COMPANY, INC., )

- 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; )
- 2. To execute its promissory notes to )  
said United States of America in the sum )  
of \$353,000, 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 notes to the expansion, rehabilitation: )  
and improvement of the plant and facilities )  
of said company and to the discharge of )  
certain obligations of the company. )

Application No. 38214  
(Requisition for Loan  
Funds)

FIRST SUPPLEMENTAL ORDER

On March 8, 1957, Sierra Telephone Company, Inc. filed with the Commission a copy of a requisition on the Rural Electrification Administration for an advance of funds in the amount of \$39,828.04 to finance certain engineering costs and to pay outstanding indebtedness.

By Decision No. 53760, dated September 18, 1956, the Commission authorized Sierra Telephone Company, Inc., to issue \$353,000 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 in order to provide service for new customers and of refinancing outstanding indebtedness. The authorization of the Commission required applicant to file a copy of each requisition for an advance of funds under the loan contract and to secure a supplemental order authorizing the expenditure of such funds.

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

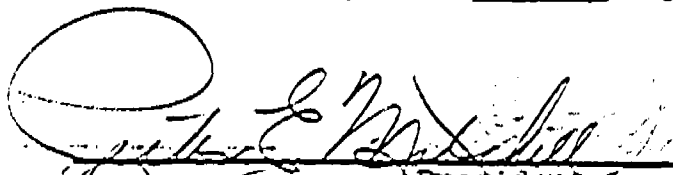

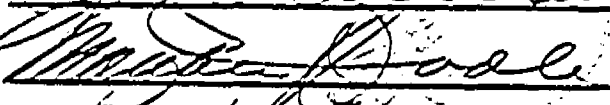
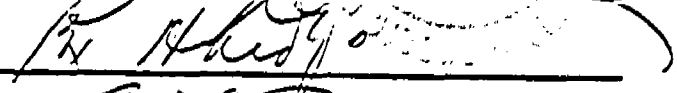

	<u>Construction Budget</u>	<u>Requested Advances</u>
Construction -		
Land and buildings	\$ 6,000	\$
Central office equipment	62,000	
Station equipment	33,000	
Outside plant	<u>140,000</u>	
Subtotal	\$241,000	
Engineering	24,500	4,851.04
Furniture	2,300	
General overheads	18,975	
Removal costs	10,000	
Refinancing	34,977	34,977.00
Contingencies	<u>21,248</u>	
Total	<u>\$353,000</u>	<u>\$39,828.04</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 Sierra Telephone Company, Inc., to draw down \$39,828.04 of proceeds from the issue of the notes authorized by Decision No. 53760 is hereby approved and Sierra Telephone Company, Inc., is hereby authorized to disburse said sum of \$39,828.04 for the purposes indicated in said requisition.

This first supplemental order will become effective on the date hereof.

Dated at Los Angeles, California, this 26<sup>th</sup> day of March, 1957.

  
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 President  
  
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 Commissioners