

ORIGINAL

Decision No. 55104

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)

THIRD SUPPLEMENTAL ORDER

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. Heretofore, the Commission has approved expenditures of \$45,142.24.

Applicant now seeks approval for additional expenditures of \$5,000 from the loan funds. A statement showing the estimated expenditures, the requisitions heretofore approved and the amount now requested, is as follows:

	<u>Estimated Expenditures</u>	<u>Requisitions Approved</u>	<u>Amount Requested</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	7,590.86	5,000
Furniture	2,300	-	-
General overheads	18,975	2,574.38	-
Removal costs	10,000	-	-
Refinancing	34,977	34,977.00	-
Contingencies	<u>21,248</u>	<u>-</u>	<u>-</u>
Total	<u>\$353,000</u>	<u>\$45,142.24</u>	<u>\$5,000</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 Sierra Telephone Company, Inc., to draw down \$5,000 of the proceeds from the issue of the notes authorized by Decision No. 53760, dated September 18, 1956, hereby is approved, and Sierra Telephone Company, Inc., hereby is authorized to disburse said sum of \$5,000 for the purpose indicated in said requisition.

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

Dated at San Francisco, California, this 11th day of JUNE, 1957.

[Signature]
President
[Signature]
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Commissioners