

ORIGINAL

Decision No. 55261

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of EVANS TELEPHONE COMPANY, a  
corporation, to borrow up to  
\$35,000.00

Application No. 39181

OPINION AND ORDER

Evans Telephone Company, applicant herein, is engaged in operating a system furnishing telephone service in and about the City of Patterson. In this application, it seeks authorization to enter into a loan agreement with Stromberg-Carlson, a division of General Dynamics Corporation, to execute a mortgage and to issue notes in the aggregate amount of \$35,000.

According to Exhibit C attached to the application, applicant's recorded investment in plant as of April 30, 1957, aggregated \$385,992, with an accumulated reserve of \$68,702, the net investment thus being \$317,290, which has been financed primarily with funds obtained from the following sources:

Common stock equity	\$175,231
Preferred stock	20,000
Long-term debt	80,818
Short-term debt	35,000

The short-term debt is represented by 6 per cent notes to Stromberg-Carlson, a division of General Dynamics Corporation, expressed to mature in less than one year. Applicant now proposes to refinance its short-term borrowings with a more permanent type security. Subject to receiving authorization from the Commission,

it proposes to enter into a loan agreement with Stromberg-Carlson to borrow \$35,000, such borrowing to be represented by interim notes which will be replaced by one final note on or before December 31, 1957. The final note will bear interest at the rate of 4-3/4 per cent per annum and will be payable in 240 monthly installments."

The Commission has considered the company's request to refinance its present indebtedness and is of the opinion that a public hearing is not necessary, 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. Evans Telephone Company, after the effective date hereof and on or before December 31, 1957, may enter into a loan agreement with Stromberg-Carlson, a division of General Dynamics Corporation, may execute a mortgage and may issue interim notes in the aggregate amount of \$35,000 and thereafter may replace such interim notes with a final note under and pursuant to the terms of said loan agreement, such notes to be issued for the purpose of refinancing existing indebtedness.

2. Evans Telephone Company shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The approval herein indicated is for the issue of a \$35,000 note only and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

4. The authority herein granted will become effective when Evans Telephone Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$35.

Dated at San Francisco, California, this 15<sup>th</sup> day of July, 1957.

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President  
*R. L. ...*  
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*W. ...*  
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*R. ...*  
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*C. ...*  
Commissioners

