

ORIGINAL

Decision No. 59101

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 :
 THE WESTERN TELEPHONE COMPANY,)
 :
 a California corporation, for authority)
 (a) to enter into a loan contract 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;)
 (b) to issue and sell its promissory)
 notes to the United States of America)
 in the aggregate principal amount of)
 \$2,456,000, bearing interest at the)
 rate of two per cent per annum;)
 (c) to execute and deliver a mortgage)
 of realty and chattels to secure said)
 promissory notes; (d) to apply the)
 proceeds realized from said promissory)
 notes toward the payment and discharge)
 of outstanding obligations, and to)
 finance additions and betterments.)
 :

Application No. 39734
(Requisition for
Loan Funds)

SIXTH SUPPLEMENTAL ORDER

By Decision No. 56269, dated February 25, 1958, the Commission authorized The Western Telephone Company to issue \$2,456,000 of notes to the United States of America, acting through the Rural Electrification Administration, for the purpose of financing the cost of expanding, rehabilitating and improving its facilities and service, and of paying outstanding indebtedness.

The Commission required the company to deposit the proceeds from the issue of the notes in a special bank account. At the outset, the Commission authorized the company to withdraw not to exceed \$906,438 of such proceeds for the purpose of paying debts and providing certain preloan engineering and other expenses and directed that the remaining proceeds should be used only for such purposes as

it might authorize in a supplemental order, or orders. The Commission required the company to file copies of such requisitions as it might make on the Rural Electrification Administration for the use of such remaining proceeds. From time to time, the company has filed copies of its requisitions and has received the Commission's approval of them.

In a requisition filed on September 16, 1959, the company reports total advances of \$1,553,894.19 and it requests additional advances of \$182,394.40 to be used for miscellaneous central office equipment, carrier and outside plant additions to its Weaverville, Hayfork, Hoopa, Laytonville and Covelo exchanges, and for the purchase of central office sites at Garberville, Alderpoint and Leggett. It has requested the Commission's approval. We have reviewed the requisition and are of the opinion that an order should be entered approving it, and, because applicant's program, as outlined in this proceeding, will be 70% completed, that it does not appear necessary to require the prior approval of the requisitions with respect to the remainder of the proceeds; therefore,

IT IS HEREBY ORDERED as follows:

1. The requisition of The Western Telephone Company to draw down \$182,394.40 of the proceeds from the issue of the notes authorized by Decision No. 56269, dated February 25, 1958, hereby is approved, and The Western Telephone Company hereby is authorized to disburse said sum of \$182,394.40 for the purposes indicated in said requisition.

2. Ordering Paragraph 3 of Decision No. 56269, dated February 25, 1958, requiring The Western Telephone Company to obtain supplemental authorization for the disposition of the proceeds

received from the issue of the notes authorized by said decision, is hereby vacated and set aside.

3. The Western Telephone Company shall use the remaining proceeds from the issue of the notes authorized by said Decision No. 56269 generally for the purposes set forth in its original application in this proceeding.

4. The Western Telephone Company shall file monthly reports with the Commission showing by accounts its expenditures of the proceeds from said notes, said monthly reports to be filed on or before the 25th day of each month, covering the preceding calendar month, so long as any of such proceeds remain unexpended.

5. This sixth supplemental order shall become effective on the date hereof.

Dated at San Francisco, California, this 6th day of October, 1959.

(Signature)
 _____ President

(Signature)

(Signature)

 _____ Commissioners