

ORIGINAL

Decision No. 50226

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE SISKIYOU TELEPHONE COMPANY

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 \$797,000.00, said obligation to bear interest at the rate of two per cent 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.

Application No. 38997
(Requisition for
Loan Funds)

SEVENTH SUPPLEMENTAL ORDER

By Decision No. 55457, dated August 27, 1957, the Commission authorized The Siskiyou Telephone Company to issue \$797,000 of notes to the United States of America, acting through the Rural Electrification Administration, for the purposes 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 \$187,000 of such proceeds for specified purposes, and directed that the remaining proceeds should be used only for such purposes as the Commission 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 October 14, 1959, the company reports total advances to date of \$577,201.53 and additional expenditures of \$139,039.47 for which it now seeks the Commission's approval, as follows:

Klamath River outside plant	\$ 60,000.00
Final payment on Scott Valley outside plant	38,097.83
Central office equipment	11,603.03
Completion of microwave installation	11,000.00
Relatively minor items classified under construction	9,495.89
Operating equipment	4,842.72
Engineering	4,000.00
Total	<u>\$139,039.47</u>

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 90 per cent 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 Siskiyou Telephone Company to draw down \$139,039.47 of proceeds from the issue of the notes authorized by Decision No. 55457, dated August 27, 1957, hereby is approved, and The Siskiyou Telephone Company hereby is authorized to disburse said sum of \$139,039.47 for the purposes indicated in said requisition.


2. Ordering Paragraph 4 of Decision No. 55457, dated August 27, 1957, requiring The Siskiyou 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 Siskiyou Telephone Company shall use the remaining proceeds from the issue of the notes authorized by said Decision No. 55457 generally for the purposes set forth in its original application in this proceeding.


4. The Siskiyou 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 seventh supplemental order will become effective on the date hereof.

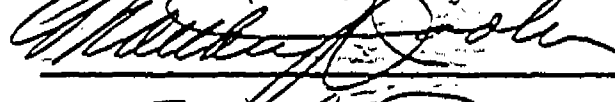
Dated at Los Angeles, California, this 3rd day of November, 1959.



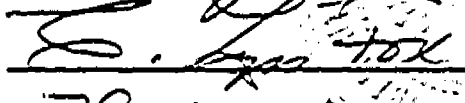
President



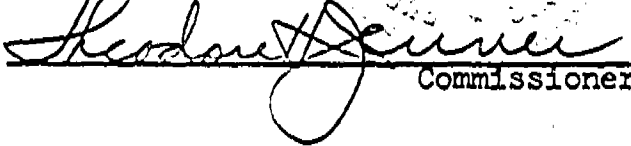
Commissioner



Commissioner



Commissioner



Commissioners