

**ORIGINAL**

Decision No. 59315

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
CENTRAL CALIFORNIA 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 \$4,125,000, 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 issue and sell 22,000 common shares, par value \$10 per share, at the price of \$10 per share for cash; and (e) to apply all proceeds to the payment of outstanding indebtedness, to finance the acquisition of telephone lines and facilities owned and operated as the White River Telephone Exchange, and to finance additions and betterments.

Application No. 40398  
(Requisition for  
Loan Funds)

SECOND SUPPLEMENTAL ORDER

By Decision No. 57366, dated September 29, 1958, the Commission authorized Central California Telephone Company, among other things, to issue \$4,125,000 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 refinancing 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 \$1,684,000 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.

In a requisition filed on November 9, 1959, the company reports total advances of \$1,620,491.28 and it requests additional advances of \$382,784.32, which will bring the total advances to \$2,003,275.60, or \$319,275.60 in excess of the \$1,684,000 of withdrawals previously authorized. The company anticipates that the additional advances of \$319,275.60 will enable it to carry on its construction program for approximately 90 days. We have reviewed the requisition and are of the opinion that an order should be entered approving it, and, because the Rural Electrification Administration checks closely the expenditures of such advances, it does not appear necessary for this Commission to require its prior approval of the requisitions with respect to the remainder of the proceeds; therefore,

IT IS HEREBY ORDERED as follows:

1. The requisition of Central California Telephone Company to draw down \$319,275.60 of the proceeds from the issue of the notes authorized by Decision No. 57366, dated September 29, 1958, hereby is approved, and Central California Telephone Company hereby is authorized to disburse said sum of \$319,275.60 for the purposes indicated in said requisition.

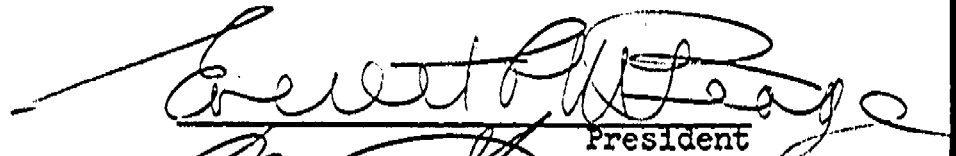

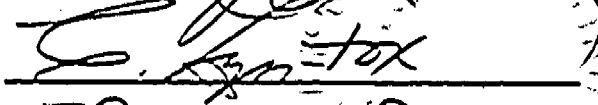
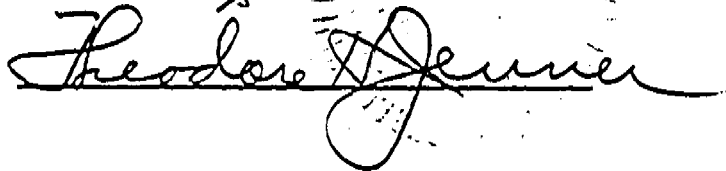
2. Ordering Paragraph 4 of Decision No. 57366, dated September 29, 1958, requiring Central California Telephone Company to obtain supplemental authorization for the disposition of the proceeds received from the issue of the notes authorized by said decision, is hereby vacated and set aside.

3. Central California Telephone Company shall use the remaining proceeds from the issue of the notes authorized by said Decision No. 57366 generally for the purposes set forth in its original application in this proceeding.

4. Central California 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 second supplemental order shall become effective on the date hereof.

Dated at San Francisco, California,  
this 1st day of December, 1959.

  
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President  
  
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Commissioners