

Decision No. 59372

ORIGINAL

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)

TENTH 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 plant 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. 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 November 23, 1959, the company reports total advances of \$138,677.01 and it requests additional advances of \$6,000.00 to pay current construction costs on buildings. 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 expenditure 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 Sierra Telephone Company, Inc., to draw down \$6,000.00 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 \$6,000.00 for the purpose indicated in said requisition.

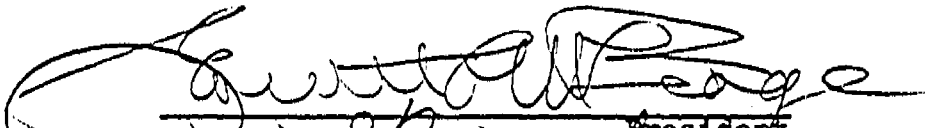
2. Ordering Paragraph 3 of Decision No. 53760, dated September 18, 1956, requiring Sierra Telephone Company, Inc., to obtain supplemental authorization for the disposition of the proceeds received from the issue of the notes authorized by said decision, is hereby vacated and set aside.


3. Sierra Telephone Company, Inc., shall use the remaining proceeds from the issue of the notes authorized by said Decision No. 53760 for the purposes set forth in its original application in this proceeding.


4. Sierra Telephone Company, Inc., 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.

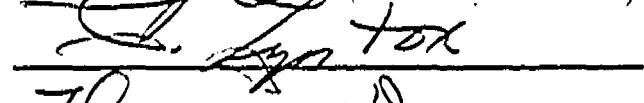
5. This tenth supplemental order shall become effective on the date hereof.

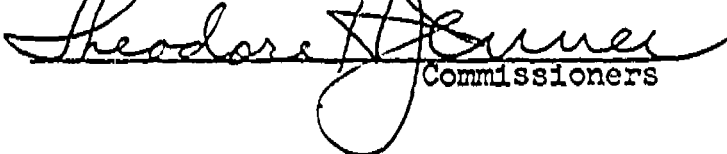
Dated at San Francisco, California, this 15th day of December, 1959.



President








Commissioners