

ORIGINAL

Decision No. 59626

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
DOS PALOS TELEPHONE CO., INC., a  
corporation, for authority:

1. To enter into an agreement amending the existing telephone 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 (REA);

2. To execute its promissory note or notes to said United States of America, pursuant to the aforesaid amendment, in a sum not in excess of \$602,000.00, in addition to the previously authorized sum of \$715,000.00 provided for in the aforesaid loan agreements, as amended, said obligation to bear interest at the rate of 2% per annum and to be secured by the existing Mortgage of Realty and Chattels and a Supplemental Mortgage of Realty and Chattels;

3. To execute and deliver to the United States of America a Supplemental Mortgage of Realty and Chattels covering all the properties of applicant as security for the payment of said obligation;

4. To apply the proceeds derived from said note or notes to the expansion and improvement of the plant, plant facilities, and said system.

Application No. 41846

OPINION AND ORDER

Dos Palos Telephone Co., Inc., applicant herein, owns and operates a public utility telephone system in, and in the vicinity of, Dos Palos and South Dos Palos in portions of Merced

and Fresno counties. On January 12, 1960, it filed with the Commission this application seeking authority to enter into an amending telephone loan contract and to execute a supplemental mortgage of realty and chattels with the United States of America, and to issue mortgage notes in the aggregate principal amount of \$602,000 for the purpose of engaging in additional Rural Electrification Administration financing.

The application shows that Dos Palos Telephone Co., Inc., has been experiencing, and will continue to experience, a continual growth in its service area, and has need for funds to finance the additions and other items set forth as follows:

Central office equipment	\$125,536
Automatic toll ticketing equipment	77,700
Toll center switchboard equipment	31,500
Toll center building	23,877
Station equipment	37,712
Outside plant	168,338
Carrier equipment - CDO satellite trunks	8,400
Vehicles and work equipment	10,100
Standby power equipment	5,750
Mobile radio telephone service equipment	28,457
Engineering, architect and legal services	27,488
Contingencies	24,153
Purchase of farmer lines	13,400
Reimburse treasury 1958-59 plant additions	<u>19,589</u>
Total	<u>\$602,000</u>

From a review of this application, it is apparent that the company does not have sufficient funds on hand to finance its proposed improvements and extensions; that the form of financing applicant has selected is in no way different from that heretofore approved by the Commission; and that an order should be entered granting the application. It is our 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 notes herein authorized is reasonably required for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Dos Palos Telephone Co., Inc., on and after the effective date hereof, may execute an amending telephone loan contract, a mortgage note, or notes, in the aggregate principal amount of not to exceed \$602,000, and a supplemental mortgage of realty and chattels, which documents shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A, Exhibit B and Exhibit C, respectively.

2. Dos Palos Telephone Co., Inc., shall use the proceeds to be received through the issue of the notes herein authorized for the purposes set forth in this application.

3. The authority herein granted shall not be construed to be indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

4. Dos Palos Telephone Co., Inc., 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.

5. The authority herein granted shall become effective when Dos Palos Telephone Co., Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$602.

Dated at San Francisco, California, this 9th day of February, 1960.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners

Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.

