

ORIGINAL

Decision No. 60019

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 second supplemental 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, which second supplemental loan agreement modifies those certain loan agreements heretofore authorized by the Commission in its Decision No. 55457 and Decision No. 58576;
2. To execute its additional promissory notes to said United States of America in the sum of \$90,000.00, said obligation to bear interest at the rate of two per cent per annum and to be secured by the existing mortgage to the United States of America;
3. To apply the proceeds derived from said notes to completing the expansion, rehabilitation and improvement of the plant and facilities of said company during the next five years.

Application
No. 42140

O P I N I O N

This is an application filed on April 13, 1960, for an order of the Commission authorizing The Siskiyou Telephone Company (1) to enter into an amended loan agreement with the United States of America acting through the Administrator of the Rural Electrification Administration, and (2) to issue a \$90,000 mortgage note, or notes.

Applicant is a California corporation performing a public utility telephone and telegraph service in a portion of the County of Siskiyou. Heretofore, the Commission has authorized the company to engage in Rural Electrification Administration financing to the extent of \$1,150,000, in connection with the rehabilitation and extension of its facilities. Applicant reports that, in order to complete its program, it desires an additional \$90,000, which it proposes to obtain through similar Rural Electrification Administration financing.

The company anticipates an increase in station growth of 248 during the next five years. It reports a \$29,337 deficiency in funds as of cut-over, and estimates a need for \$37,800 of additional funds to provide facilities to serve new subscribers, to which it adds a contingency amount of \$22,863, resulting in \$90,000 to be withdrawn as and if needed over a period of five years.

Although applicant's program results in a high proportion of mortgage indebtedness, it contemplates conventional 35-year 2% Rural Electrification Administration loans in order to provide a telephone system which should enable the company to render better service to the public at low cost financing. We shall enter an order granting the application.

The approval indicated herein is for the execution of an agreement and the issuance of notes and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicant 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. The Siskiyou Telephone Company may enter into an agreement and may issue mortgage notes in the aggregate principal amount of not to exceed \$90,000, which agreement and notes shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit F and Exhibit E, respectively, and shall expend the proceeds for the purposes set forth in this application.
2. The Siskiyou Telephone Company shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. This order shall become effective when The Siskiyou Telephone Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$90.

Dated at San Francisco, California,
this 3rd day of May, 1960.

Everett P. [Signature]
President
[Signature]
[Signature]
[Signature]
Theodore J. [Signature]
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
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