

ORIGINAL

Decision No. 60526

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of:

Dorris Telephone Company, a  
corporation, to borrow  
\$17,000.00.

Application No. 42473

OPINION AND ORDER

Dorris Telephone Company, applicant herein, is a California corporation engaged in operating a public utility telephone system in and about Dorris and Macdoel in Siskiyou County. In this application filed on July 15, 1960, it reports that it is experiencing an increasing demand for upgrading telephone service which will require the expansion of its central office equipment and it proposes, and herein seeks authorization, to borrow \$17,000 to finance its capital requirements and to liquidate an outstanding indebtedness as follows:

- (a) Central office equipment . . . . . \$12,000  
Sixty lines at Dorris, plus six additional finders, six selectors and six connectors. Twenty lines at Macdoel, plus two additional finders and two connectors, and seven direct trunks to Klamath Falls.
  - (b) Outside plant . . . . . 3,000  
Six pair rural distribution cable - material only.
  - (c) Short-term bank loan . . . . . 2,000  
First Western Bank - dated December 13, 1959, for 11 months at 6-1/2 per cent interest. Proceeds from this borrowing were used to increase outside plant.
- Total \$17,000

The proposed borrowing will be represented by an interim note, or notes, to Stromberg-Carlson Company, payable on demand, which interim note, or notes, will be replaced by a final note to be delivered not later than December 31, 1961, and to be payable in 240 monthly installments with interest at the rate of 6-1/4 per cent per annum. The note will be secured by a mortgage which heretofore was executed by applicant, under authorization granted by the Commission, and now is outstanding.

Reference to applicant's financial statements shows that at the conclusion of the proposed financing, its long-term debt will be approximately 51 per cent of its net investment in plant and its capital structure will be represented by equity capital of about 45 per cent and debt capital of about 55 per cent. The statements indicate that the revenues from operations will be adequate to provide for interest and principal payments on the proposed debt.

Upon reviewing the applicant and the exhibits, we find and conclude that the issue of notes is for a proper purpose; 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. Dorris Telephone Company, on or after the effective date hereof and on or before December 31, 1961, may issue 6-1/4 per cent interim notes, payable on demand, in the aggregate principal amount of not to exceed \$17,000 for the purposes specified in this application and thereafter may issue its final note, payable as indicated herein, in the principal amount of not to exceed \$17,000 to replace said interim notes.

2. The authorization herein granted is for the issue of notes only 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.

3. Dorris Telephone Company 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.

4. The authority herein granted will become effective when Dorris Telephone Company has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

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

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

