

ORIGINAL

Decision No. 62147

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 third 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 third supplemental loan agreement modifies those certain loan agreements heretofore authorized by the Commission in its Decision No. 55457, Decision No. 58576, and Decision No. 60019;
2. To execute its additional promissory notes to said United States of America in the sum of \$200,000.00, 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 deficit financing of previous construction program, capital improvements and service to new subscribers in 1961.

Application No. 43460
Filed June 1, 1961

O P I N I O N

This is an application 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 mortgage notes in the aggregate principal amount of \$200,000.

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 \$1,240,000 in connection with the rehabilitation and extension of its facilities. Applicant reports that, in order to complete its program, it desires an additional \$200,000 which it proposes to obtain through similar Rural Electrification Administration financing.

The company reports that it has applied to the Rural Electrification Administration for the \$200,000 of additional funds and that the Rural Electrification Administration has found the company's proposal to be reasonable and feasible and has agreed to advance said additional funds subject to prior approval of this Commission. More specifically, the funds will be expended (1) to construct basic facilities for 30 additional subscribers, (2) to provide service for the Federal Aviation Agency's VOR site at Etna, and (3) to supply deficiency funds to complete payments of construction authorized by prior applications. The additional advances would be represented by conventional 35-year, 2%, Rural Electrification Administration notes.

Upon consideration of this matter we find and conclude that the application should be granted; 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.

The authorization herein granted is for the issue 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,

IT IS ORDERED that -

1. The Siskiyou Telephone Company may enter into an agreement and may issue mortgage notes in the aggregate principal amount of not to exceed \$200,000, which agreement and notes shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit E and Exhibit D, 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 \$200.

Dated at San Francisco, California,
this 20th day of JUNE, 1961.

Charles H. [Signature]
President

Harold G. [Signature]

Frederick B. [Signature]

Commissioners

