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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)

LIVINGSTON TELEPHONE COMPANY,
a corporation, to borrow
\$80,000.00.

Application No. 43504
Filed June 14, 1961

O P I N I O N

Livingston Telephone Company, applicant herein, is a California corporation engaged in operating a public utility telephone system in the City of Livingston and in surrounding territory in Merced County. In this application it reports that it has experienced an increasing demand for telephone service, requiring additional lines to its central office equipment, and also that it is adding toll ticketing equipment to continue its plans of offering modern telephone service. Applicant seeks authorization which will enable it to borrow \$80,000 to finance its capital requirements as follows:

(a)	"XY" dial addition consisting of 100 lines and 100 connectors	\$21,500
(b)	Toll ticketing equipment	56,000
(c)	Additional charger	<u>2,500</u>
	Total	<u>\$80,000</u>

The proposed borrowing of \$80,000 will be represented by 6% interim demand notes in favor of Stromberg-Carlson, a Division of General Dynamics Corporation, which interim notes will be replaced by a 6% final note to be delivered not later than

December 31, 1962, and to be payable in 240 monthly installments. Payment of the additional indebtedness will be secured by a mortgage which applicant heretofore executed 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 $48\frac{1}{2}\%$ of its net investment in plant and its capital structure will be represented by equity capital of about 51% and debt capital of about 49%. 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 verified application, including the exhibits attached thereto, we find and conclude that the proposed note issues are for proper purposes; 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. We will enter our order granting applicant's request.

The authorization herein given 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.

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 and that the application should be granted,

IT IS ORDERED that -

1. Livingston Telephone Company, a corporation, on or after the effective date hereof and on or before December 31, 1962, may issue 6% interim notes, payable on demand, in the aggregate principal amount of not to exceed \$80,000, for the purposes specified in this application, and thereafter may issue its 6% final note payable in 240 monthly installments in the principal amount of not to exceed \$80,000 to replace said interim notes.

2. Livingston Telephone Company, a corporation, 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 Livingston Telephone Company, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$80.

Dated at San Francisco, California,
this 30th day of June, 1961.

George J. Glover
President

George J. Glover
Fredrick B. Holbeek
Commissioners

