

ORIGINAL

Decision No. 65534

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ROSEVILLE TELEPHONE COMPANY, a
California corporation, for
authority to execute Promissory
Notes payable at periods of more
than twelve months after the date
of execution and to mortgage real
and personal property.

Application No. 45320
Filed April 8, 1963

O P I N I O N

This is an application for an order authorizing
Roseville Telephone Company to borrow \$2,000,000.

The application and the exhibits annexed thereto
show that the company, as of December 31, 1962, had recorded
its net investment in fixed assets at \$5,866,511 and that it
had financed itself, generally, with common stock and surplus
in the amount of \$3,683,893, long-term debt in the amount of
\$1,842,349 and notes payable in the amount of \$350,000.

The long-term debt includes a note for \$82,849 in
favor of Mabel E. Haman, et al, and several notes aggregating
\$1,759,500 in favor of Pacific Mutual Life Insurance Company,
maturing from 1972 to 1984, secured by a mortgage and certain
amended and supplemental mortgages.

The company now desires to increase its borrowings from Pacific Mutual Life Insurance Company and to that end proposes to enter into a loan agreement whereby the insurance company will advance to applicant additional sums not to exceed \$2,000,000, the borrowings to be represented by a note, or notes, payable March 1, 1988, with interest at the rate of 4-3/4% per annum. Applicant proposes to execute a fourth supplemental indenture which, among other things, will define the terms of the note, or notes.

The purpose of the financing is to provide applicant with funds to pay indebtedness of \$750,000 and to provide, in part, the estimated costs of \$1,431,000 for plant additions, improvements and betterments during 1963 and 1964, as set forth in some detail in the application. The Commission's staff has made a review of the company's construction program. We have considered this matter and are of the opinion, and find, that a public hearing is not necessary; that the application should be granted; that the money, property or labor to be procured or paid for by the issue of the note, or 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 execution of an indenture and the issue of notes and is not to be construed as a finding of the value of applicant's properties nor as indicative of amounts to be included in future proceedings for the purpose of determining just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Roseville Telephone Company, on or after the effective date hereof and on or before December 31, 1964, may execute a loan agreement and a fourth supplemental mortgage in the same form, or substantially the same form, as those annexed to the application and may issue its note, or notes, in the aggregate principal amount of not to exceed \$2,000,000 under the terms and conditions and for the purposes set forth in this proceeding.

2. Roseville 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.

3. The authority herein granted shall become effective when Roseville Telephone Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,500.

Dated at San Francisco, California,
this 11th day of JUNE, 1963.

George H. Grover

President

Robert B. Page

Fredrick B. Holcomb

William W. Bennett

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioners

