

ORIGINAL

Decision No. 68411

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 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 supplemental loan agreement modifies that certain loan agreement heretofore authorized by the Commission in its Decision No. 55457;
2. To execute its additional promissory notes to said United States of America in the sum of \$442,000.00, said obligation to bear interest at the rate of two per cent per annum;
3. To execute and deliver a supplemental mortgage of realty and chattels covering all of the properties of applicant as security for the payment of said obligations;
4. To apply the proceeds derived from said notes to the expansion and improvement of the plant and facilities of said company.

Application No. 47084
Filed November 2, 1964

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, (2) to execute a supplemental mortgage, and (3) to issue mortgage notes in the aggregate principal amount of \$442,000.

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 \$1,440,000 in connection with the rehabilitation and extension of its facilities. Applicant reports that in order to continue its program and to obtain emergency funds for flood relief, the company desires an additional \$442,000 which it proposes to obtain through similar Rural Electrification Administration financing.

Applicant reports that it will use the loan proceeds as needed (1) to convert the central office at Fort Jones into a Class Four toll office with installation of automatic ticketing and timing and outgoing direct distance dialing; (2) to provide (a) improved and additional toll circuits direct to Redding, (b) additional toll circuits to the other three exchanges of the company, (c) necessary increases in buildings and central office facilities of all exchanges, and (d) a dispatch radio system for company operations and maintenance; (3) as emergency funds for flood relief to restore telephone service in its various exchanges; and (4) in general to improve the existing service for present and prospective subscribers.

The additional advances will be represented by conventional 2% thirty-five year Rural Electrification Administration mortgage notes. The indebtedness to be represented by such notes will be secured by an existing mortgage of realty and chattels dated as of August 31, 1957, as amended or supplemented.

Upon consideration of this matter we find that: (1) the proposed notes are for proper purposes; (2) 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 (3) such purposes, except to the extent necessary for flood relief, are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The authorization herein given is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. The Siskiyou Telephone Company may enter into an agreement with the United States of America, acting through the Administrator of the Rural Electrification Administration, may execute and deliver a supplemental mortgage and may issue

mortgage notes in the aggregate principal amount of not to exceed \$442,000, in the same form or in substantially the same form, as those attached to the application, and shall expend the proceeds for the purposes set forth in the foregoing opinion.

2. The Siskiyou Telephone Company shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby 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 \$442.

Dated at San Francisco, California, this 30 day of DECEMBER, 1964.

Fredrick B. Halaloff
President

Ed Mitchell

Robert A. King

George H. Hoover

William B. Beards
Commissioners

