

**ORIGINAL**

Decision No. 69431

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of Calaveras Telephone Company )

(1) To enter into a 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; )

(2) To execute its promissory note )  
to said United States of )  
America in the sum of )  
\$56,000.00, said obligation to )  
bear interest at the rate of )  
two percent 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 obligation; )

(4) To apply the proceeds derived )  
from said note to the further )  
expansion of the plant and )  
facilities of said company. )

Application No. 47702  
Filed June 24, 1965  
and Amendment  
Filed June 30, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Calaveras Telephone Company to (1) enter into an Amendment to its Telephone Loan Contract with the United States of America acting through the Administrator of the Rural Electrification Administration, (2) execute and deliver an

instrument known as a Supplemental Mortgage and Financing Statement under Uniform Commercial Code of California, and (3) issue and deliver a mortgage note in the principal amount of \$56,000.

Applicant is a California corporation performing a public utility telephone service in portions of Calaveras and Stanislaus Counties. By Decision No. 66511, dated December 27, 1963, in Application No. 45833, the Commission authorized the company to engage in Rural Electrification Administration financing to the extent of \$254,000 for the purposes of refinancing indebtedness and financing the construction of facilities in its service area. Applicant reports that in order to continue its program of improving and extending its facilities, the company desires an additional \$56,000 which it proposes to obtain through similar Rural Electrification Administration financing.

The additional advance will be represented by a conventional 2% thirty-five year Rural Electrification Administration mortgage note. The indebtedness to be evidenced by said note will be secured by an existing mortgage of realty and chattels dated as of December 30, 1963, as amended and supplemented.

Upon consideration of this matter we find that:

(1) the proposed note is for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of

the note herein authorized is reasonably required for the purpose specified herein; (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed supplemental mortgage would not be adverse to the public interest. 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 for the purpose of this proceeding only and 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. Calaveras 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 an instrument designated as a Supplemental Mortgage and Financing Statement under Uniform Commercial Code of California, and may issue a mortgage note in the principal amount of not to exceed \$56,000, said documents to be in the same form, or in substantially the same form, as those filed in this proceeding, and shall expend the proceeds for the purpose set forth in the application.

2. Calaveras 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 Calaveras Telephone Company has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$56.

Dated at San Francisco, California, this 27th day of July, 1965.

Frederick B. Halaloff  
President  
George J. Grover  
[Signature]

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

