

ORIGINAL

Decision No. 72313

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Tuolumne Telephone Co.)

(1) To enter into an amendment)
to 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)
\$495,000.00, said)
obligation to bear interest)
at the rate of two percent)
per annum; and to execute)
a supplemental mortgage)
further securing such)
note;)

(3) To apply the proceeds)
derived from said note to)
discharging of existing)
indebtednesses in the)
amount of \$56,000.00 and)
for the construction of)
facilities in Tuolumne,)
Shasta and Tehama Counties.)

Application No. 49106
Filed January 25, 1967

O P I N I O N

This is an application for an order of the Commission
authorizing Tuolumne Telephone Co. to enter into a supplemental

loan agreement, to issue its Rural Electrification Administration promissory note in the principal amount of \$495,000, and to execute and deliver a supplemental mortgage.

Applicant is a California corporation engaged in the business of furnishing exchange and toll telephone service in the Counties of Shasta, Tehama and Tuolumne. The company reports that it furnishes automatic dial exchange telephone service to approximately 450 company-owned stations in Shasta and Tehama Counties, and 585 within its Tuolumne Exchange. The utility has obtained funds for plant investment primarily through Rural Electrification Administration financing.

The company plans to provide all one-party service in its Tuolumne Exchange and to purchase and install automatic toll-ticketing equipment in its Tuolumne central office. In addition, applicant plans to construct telephone facilities to extend service to approximately 169 new subscribers, and to provide other system improvements.

In this proceeding applicant proposes to borrow the sum of \$495,000 from the United States of America, acting through the Administrator of the Rural Electrification Administration, pursuant to the terms of a Telephone Loan Contract, as amended. The borrowing will be represented by a promissory note repayable over a 35-year period. Said note will bear interest at the rate of 2% per annum and will be secured by an existing mortgage, as amended

and supplemented. The application indicates that the note proceeds will be used to finance construction costs, and to discharge approximately \$56,000 of indebtedness incurred for interim financing pertaining to construction.

The Commission has considered this matter and finds that: (1) the proposed note is for proper purposes; (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 purposes specified herein; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed Supplemental Mortgage and Amendment to Telephone Loan Contract will not be adverse to the public interest. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

The authorization herein granted is for the purpose of this proceeding only. It shall not be construed as giving approval to any future withdrawal of multiparty service or increases in rates, nor 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. Tuolumne Telephone Co. may enter into an Amendment to its Telephone Loan Contract with the United States of America

acting through the Administrator of the Rural Electrification Administration, and may execute and deliver a Supplemental Mortgage, which documents shall be in the same form, or in substantially the same form, as those attached to the application as Exhibits E and F, respectively.

2. Tuolumne Telephone Co., for the purposes specified in this proceeding, may issue and deliver its Mortgage Note in the principal amount of not to exceed \$495,000, which note shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit D.

3. Tuolumne Telephone Co. 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.

4. Within six months after suspension or completion of the proposed construction referred to in this proceeding, Tuolumne Telephone Co. shall submit for Commission review a depreciation study reflecting new construction, retirements and net salvage.

5. This order shall become effective when Tuolumne Telephone Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$495.

Dated at San Francisco, California,
this 18th day of APRIL, 1967.

John E. Mitchell
President

William W. Bennett

Augustus

William S. Brown Jr.

Paul P. Morrison
Commissioners

