

ORIGINAL

Decision No. 73955

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)

THE PONDEROSA TELEPHONE CO.)

For an order authorizing it to)
borrow up to \$1,210,000)

Application No. 50034
Filed February 21, 1968

O P I N I O N

This is an application for an order of the Commission authorizing The Ponderosa Telephone Co. (a) to enter into an amendment to its loan agreement with the United States of America acting through the Rural Electrification Administration, (b) to issue its promissory notes in an aggregate amount of \$1,210,000 and (c) to execute and deliver supplemental mortgages.

Applicant is a California corporation engaged in the business of furnishing telephone services in portions of Fresno and Madera Counties. The company reports that an increasing demand for its services requires the expansion of its central offices, central office equipment and outside plant, and the construction of an office and a warehouse garage. The utility estimates that its program will require funds in excess of \$1,210,000 and that upon completion of such program its total number of subscribers will amount to 2,430.

In this proceeding applicant proposes to borrow the sum of \$1,210,000 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 borrowings will be represented by mortgage notes repayable over a thirty-five year period. Said notes will bear interest at the rate of 2% per annum and will be secured by an existing mortgage and supplemental mortgages.

The Commission has considered this matter and finds that: (1) the proposed notes are for a proper purpose; (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 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 Mortgages 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 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. The Ponderosa 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 and such additional supplemental mortgages as are required by the terms of its Telephone Loan Contract, as amended. Said documents shall be in the same form, or in substantially the same form, as those attached to the application as Exhibits B and C, respectively.

2. The Ponderosa Telephone Co., for the purpose specified in this proceeding, may issue and deliver its Mortgage Note or Notes in the aggregate principal amount of not exceeding \$1,210,000, which note or notes shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit D, or in the alternate form described in the application.

3. The Ponderosa 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. This order shall become effective when The Ponderosa Telephone Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,105.

Dated at San Francisco, California, this 9th day of

APRIL, 1968.

John E. Ketchum
President
William W. Bennett
Attorney
William Lyons, Jr.
Paul P. Monsey
Commissioners

