

ORIGINAL

Decision No. 74679

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
)	
THE SISKIYOU TELEPHONE COMPANY)	
)	Application No. 50455
for an order authorizing it to)	Filed August 2, 1968
borrow up to \$540,000, issue)	
Notes therefor and execute)	
supplemental security instruments.)	
_____)	

O P I N I O N

This is an application for an order of the Commission authorizing The Siskiyou Telephone Company (a) to enter into an Amendment to its Telephone Loan Contract with the United States of America, acting through the Administrator of the Rural Electrification Administration, (b) to execute and deliver Supplemental Mortgages and Financing Statements and amendments thereof, and (c) to issue and deliver a Mortgage Note or Notes in an aggregate principal amount of not exceeding \$540,000.

Applicant is a California corporation operating as a public utility telephone company serving portions of the County of Siskiyou. Heretofore, the Commission has authorized the company to engage in Rural Electrification Administration financing to the extent of \$2,733,000 in connection with the rehabilitation and

extension of its facilities. The utility reports that the demand for increased numbers and higher grades of telephone services has required, and again requires, the expansion of its central office equipment and outside plant. It proposes to obtain an additional \$540,000 through similar Rural Electrification Administration financing in order to pay for equipment and materials for additional construction of plant.

The \$540,000 borrowing contemplated in this proceeding will follow the usual terms for loans made through the Rural Electrification Administration, and will be evidenced by a 35-year note, or notes, bearing interest at the rate of 2% per annum. The note, or notes, will be secured by an existing mortgage as amended, extended or supplemented.

The Commission has considered this matter and finds that: (1) the proposed note, or notes, are for proper purposes; (2) 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; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed documents will 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 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 Siskiyou Telephone Company 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 Supplemental Mortgages and Financing Statements and amendments thereof, which documents shall be in the same form, or in substantially the same form, as those attached to the application as Exhibits A and B, respectively.

2. The Siskiyou Telephone Company, for the purposes specified in this proceeding, may issue and deliver a Mortgage Note or Notes in the aggregate principal amount of not exceeding \$540,000, which shall be in the same form, or in substantially the same form, as Exhibit C attached to the application.

3. 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.

4. 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 \$540.

Dated at San Francisco, California,
this 17th day of SEPTEMBER, 1968.

William Lyons, Jr.
President
Peter E. McKillop
William B. Beard
Augustus
Fred P. Monissey
Commissioners

