

ORIGINAL

Decision No. 77413

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

(1) To enter into an amended and )  
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; )

(2) To execute its promissory note to )  
said United States of America in )  
the sum of \$335,000.00, said )  
obligation to bear interest at )  
the rate of two percent per annum; )

Application No. 51938  
Filed June 5, 1970

(3) To execute and deliver any other )  
documents required as supplements )  
to the 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. )

O P I N I O N

Calaveras Telephone Company seeks an order of the  
Commission authorizing it (a) to enter into an Amendment to its  
Telephone Loan Contract, as amended, with the United States of

America, acting through the Administrator of the Rural Electrification Administration, (b) to issue and deliver a Mortgage Note in the principal amount of not exceeding \$335,000, and (c) to execute and deliver documents supplemental to a previously authorized Mortgage of Realty and Chattels.

Applicant is a California corporation owning and operating a telephone system serving portions of Calaveras and Stanislaus Counties. Heretofore, the Commission has authorized the company to engage in Rural Electrification Administration financing to the extent of \$310,000 for the purposes of refinancing indebtedness and financing the construction of facilities in its service area. In order to obtain funds for continuing its construction and expansion program, applicant proposes to borrow an additional \$335,000 through similar Rural Electrification Administration financing. As support for the proposed borrowing, statements entitled Master Telephone Budget, Forecast of Revenues and Expenses, and Telephone Loan Feasibility Study are attached to the application as Exhibit C.

The proposed borrowing will be evidenced by a 35-year Mortgage Note in the principal amount of not exceeding \$335,000, which note will bear interest at the rate of 2% per annum. The note will be secured by a previously authorized Mortgage of Realty and Chattels, as such mortgage may have been from time to time amended or supplemented by any supplemental mortgage or supplemental mortgages.

After consideration the Commission finds 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, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
3. The proposed documents would not be adverse to the public interest.

On the basis of the foregoing 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 (a) amounts to be included in proceedings for the determination of just and reasonable rates, or (b) concurrence in the reasonableness of serving arrangements or tariff modifications proposed by the Rural Electrification Administration.

O R D E R

IT IS ORDERED that:

1. Calaveras Telephone Company may issue and deliver a Mortgage Note in the principal amount of not exceeding \$335,000, and may enter into an Amendment to its Telephone Loan Contract, as amended, with the United States of America, acting through the Administrator of the Rural Electrification Administration. The documents shall be in the same form, or in substantially the same

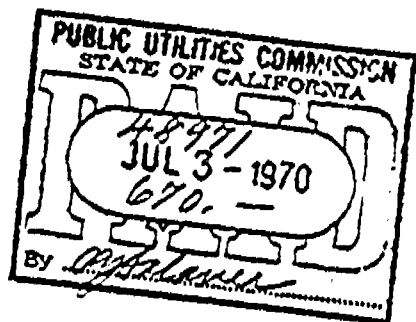
form, as those attached to the application as Exhibits E and F, respectively. The note proceeds shall be applied to the purpose set forth in the application.

2. Calaveras Telephone Company may execute and deliver documents supplemental to its previously authorized Mortgage of Realty and Chattels, which documents are contemplated by the note authorized by a portion of the preceding ordering paragraph.

3. 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.

4. 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 \$670.

Dated at San Francisco, California, this 30<sup>th</sup> day of JUNE, 1970.



William Synovis, Jr.  
President  
August  
[Signature]  
[Signature]  
Vernon L. Sturgeon  
Commissioners