

ORIGINAL

Decision No. 77539

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 \$320,000.)
 _____)

Application No. 52059
 Filed July 23, 1970

O P I N I O N

The Ponderosa Telephone Co. 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 or Notes in the principal amount of not exceeding \$320,000, and (c) to execute and deliver Supplemental Mortgages and/or Security Agreements.

Applicant is a California corporation furnishing telephone services in portions of Fresno and Madera Counties. Heretofore, the Commission has authorized the company to engage in Rural Electrification Administration financing to the extent of \$2,504,000. Exhibits A and D, attached to the application, contain data pertaining to prior construction projects, which data support an

additional borrowing of \$320,000 for meeting increased costs attributable to rising price levels. The borrowing will be represented by a Mortgage Note or Notes in the principal amount of not exceeding \$320,000 repayable over a period of 35 years, bearing interest at the rate of 2% per annum, and secured by an existing Mortgage of Realty and Chattels, Supplemental Mortgages and/or Security Agreements.

After consideration the Commission finds that:

1. The proposed Mortgage Note or Notes are for a proper purpose.
2. The money, property or labor to be procured or paid for by the issue of the Mortgage Note or Notes 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. The Ponderosa Telephone Co. may enter into an Amendment to its Telephone Loan Contract, as amended, with the United States of America, acting through the Administrator of Rural Electrification Administration. The document shall be in the same form, or in substantially the same form, as Exhibit B attached to the application.

2. The Ponderosa Telephone Co. may execute and deliver such Supplemental Mortgages and/or Security Agreements as are required by the terms of said Telephone Loan Contract, as previously amended and as further amended pursuant to authority granted by Ordering Paragraph No. 1 hereof.

3. The Ponderosa Telephone Co., for the purpose specified in this proceeding, may issue and deliver a Mortgage Note or Notes in the aggregate principal amount of not exceeding \$320,000, which Mortgage Note or Notes shall be in the same form, or in substantially the same form, as Exhibit C attached to the application.

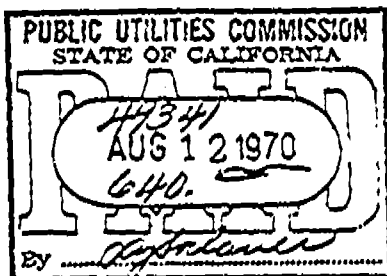
4. The Ponderosa Telephone Co. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

5. 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 \$640.

Dated at San Francisco, California,
this 17th day of AUGUST, 1970.

Reginald
Chairman

William J. ...
...
Vernon L. Sturgeon
Commissioners



Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.