

Decision No. 78008

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
)
 GOLDEN WEST TELEPHONE COMPANY)
)
 for an order or orders authorizing)
 Golden West Telephone Company to)
 issue its note and supplemental)
 mortgage to the United States of)
 America.)
 _____)

Application No. 52276
Filed November 4, 1970

O P I N I O N

Golden West Telephone Company seeks an order of the Commission authorizing it to issue a Rural Electrification Administration note in the principal amount of \$536,769, and to execute and deliver a Supplemental Mortgage.

By Decision No. 74211, dated June 5, 1968, in Application No. 50223, the Commission, among other things, authorized applicant herein to acquire the public utility telephone business, properties and related assets, and to assume the outstanding indebtedness of James Telephone Company. Said outstanding indebtedness included the unpaid balance of a \$550,000 Rural Electrification Administration loan authorized by Decision No. 71014, dated July 26, 1966, in Application No. 48548.

The application shows that the Administrator of the Rural Electrification Administration desires applicant to issue its Mortgage Note in the principal amount of \$536,769, and to execute and deliver a Supplemental Mortgage, all to evidence and secure the company's present obligation arising out of its assumption of the outstanding indebtedness of James Telephone Company.

The proposed note will bear the same interest rate and maturity date as the two notes originally issued by James Telephone Company under the authority granted by said Decision No. 71014, and provides for quarterly payments of \$5,818.58, including interest at the rate of 2% per annum. The note will be secured by an existing Mortgage, as such Mortgage may have been from time to time amended, extended or supplemented by any Supplemental Mortgage or Supplemental Mortgages, and as further supplemented by a proposed Supplemental Mortgage.

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 any serving arrangements or tariff modifications which may be proposed by the Rural Electrification Administration.

O R D E R

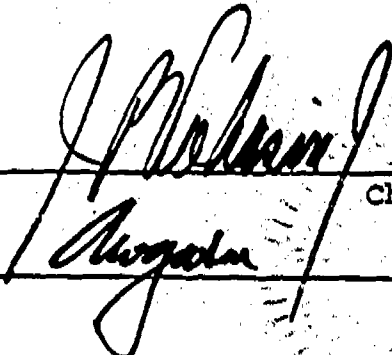
IT IS ORDERED that:

1. Golden West Telephone Company, for the purpose set forth in the application, may issue a Mortgage Note in the principal amount of not exceeding \$536,769, which note shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit B.
2. Golden West Telephone Company may execute and deliver a Supplemental Mortgage in the same form, or in substantially the same form, as that attached to the application as Exhibit C.


3. Golden West 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. The effective date of this order is the date hereof.

Dated at Los Angeles, California,
this 1st day of DECEMBER, 1970.



Chairman




Commissioners

Commissioner William Swens, Jr., being necessarily absent, did not participate in the disposition of this proceeding.