

ORIGINAL

Decision No. 78897

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of SIERRA TELEPHONE COMPANY, INC.)
for authority to issue a)
\$750,000.00 note and to execute)
a mortgage securing the same in)
connection with an REA loan.)

Application No. 52656
Filed June 2, 1971

O P I N I O N

Sierra Telephone Company, Inc. requests an order of the Commission authorizing it to issue a Mortgage Note in the principal amount of \$750,000, and to execute a Mortgage and Financing Statement, all in connection with Rural Electrification Administration financing.

Applicant is a California corporation providing telephone service in portions of Madera and Mariposa counties. Heretofore, the Commission has authorized the company to issue Rural Electrification Administration notes aggregating \$538,000.

The utility desires to borrow an additional \$750,000 in order to carry out a program set forth in an allegation reading as follows:

"That the corporation proposes to extend telephone service to 419 subscribers not included in prior loans, and in addition thereto, to construct and equip a new dial switching office for a new Bass Lake exchange; change the servicetherein from a ten party suburban service to a one party service; to establish basically an underground service system for the Bass Lake exchange; to purchase and install radio dispatch equipment for system operation and maintenance, and for new toll facilities."

The proposed borrowing would follow the usual terms for loans made through the Rural Electrification Administration, and would be evidenced by a 35-year note bearing interest at the rate of 2% per annum. The note would be secured by an existing mortgage, as amended and supplemented, and by a proposed Mortgage and Financing Statement.

After consideration the Commission finds that:

1. The proposed note is for proper purposes.
2. The proposed documents would not be adverse to the public interest.
3. The money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

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. Sierra Telephone Company, Inc. 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 document shall be in the same form, or in substantially the same form, as Exhibit B attached to the application.

2. Sierra Telephone Company, Inc. may execute and deliver a Mortgage and Financing Statement in the same form, or in substantially the same form, as Exhibit D attached to the application.

3. Sierra Telephone Company, Inc., for the purposes specified in the application, may issue a Mortgage Note in the principal amount of not exceeding \$750,000, which Mortgage Note shall be in the same form, or in substantially the same form, as Exhibit C attached to the application.

4. Sierra Telephone Company, Inc. 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 Sierra Telephone Company, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,500.

Dated at San Francisco, California, this 13th day of JULY, 1971.

Chairman
William J. ...

...

Vernon L. Stinger

Commissioners

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

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

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