

ORIGINAL

Decision No. 79889

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of ROSEVILLE TELEPHONE COMPANY,)
a California corporation, for)
Authorization pursuant to)
California Public Utilities)
Code Sections 816-830 to issue)
notes as evidence of not in)
excess of \$2,000,000.00 in)
indebtedness.)

Application No. 53200
(Filed March 10, 1972)

O P I N I O N

Roseville Telephone Company seeks an order of the Commission authorizing it to issue unsecured notes in the aggregate principal amount of \$2,000,000.

Applicant is a California corporation furnishing local and long distance telephone service in Roseville and vicinity. At December 31, 1971 it reports total assets of \$14,718,958, offset by common stock equity, long-term debt and other liabilities in the respective amounts of \$7,915,848, \$4,495,500 and \$2,307,610.

The company reports that it has outstanding \$1,250,000 in short-term bank loans, incurred for the construction, extension and improvement of its facilities, which loans will mature not later than April 15, 1972. It proposes to borrow \$2,000,000 from Bank of America National Trust and Savings Association for the purposes of repaying said outstanding bank loans and providing additional funds in the amounts of \$305,000 for central office equipment, \$180,000 for station equipment, and \$265,000 for outside

plant and other facilities. The proposed borrowing would be evidenced by unsecured notes maturing not later than April 15, 1973, with interest at the bank's floating prime rate plus $\frac{1}{2}\%$ payable monthly.

Applicant's capitalization percentages at December 31, 1971, and as adjusted to give effect to the proposed borrowing, are summarized from Exhibit A, attached to the application, as follows:

	<u>Dec. 31, 1971</u>	<u>Pro forma</u>
First mortgage notes	36.2%	31.2%
Unsecured long-term debt	-	13.9
Common stock equity	<u>63.8</u>	<u>54.9</u>
Total	<u>100.0%</u>	<u>100.0%</u>

After consideration the Commission finds that: (1) the proposed notes are for proper purposes; (2) the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purposes specified herein; and (3) such 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 action taken herein shall not be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

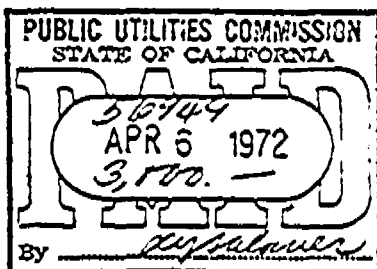
IT IS ORDERED that:

1. Roseville Telephone Company, on or after the effective date hereof and on or before April 15, 1973, may issue promissory notes in the aggregate principal amount of not exceeding \$2,000,000 in accordance with the terms and for the purposes set forth in this proceeding. The notes shall be in substantially the same form as Exhibit D attached to the application.

2. Within thirty days after issuing any of the notes herein authorized, Roseville Telephone Company shall file with the Commission a copy thereof as actually issued, which filing shall be in lieu of a report under General Order No. 24-B.

3. This order shall become effective when Roseville Telephone Company has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$3,000.

Dated at San Francisco, California, this 4th day of APRIL, 1972.



[Signature]
Chairman
William J. [Signature]
[Signature]
Vernon L. [Signature]
[Signature]
Commissioners