

ENY

Decision No. 81534

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

EVANS TELEPHONE COMPANY)

for an Order authorizing it to)
borrow up to \$130,000, issue a)
Mortgage Note therefor and to)
execute a Note Purchase Agreement,)
a Co-Mortgage and a Participation)
Agreement.)

Application No. 54094
(Filed June 7, 1973)

O P I N I O N

Evans Telephone Company seeks authority to issue a \$130,000 Mortgage Note, to enter into a Note Purchase Agreement, to become a party to a Participation Agreement, and to execute and deliver Co-Mortgages.

Applicant operates as a public utility telephone company furnishing telephone services in and about the City of Patterson in Stanislaus County. For the year 1972 it reports operating revenues and net income in the respective amounts of \$575,050 and \$53,997. According to Exhibit F, attached to the application, at December 31, 1972, the company's total assets of \$1,156,196 were offset by common stock equity, preferred stock, long-term debt and other liabilities in the respective amounts of \$692,436, \$20,000, \$202,736 and \$241,024.

The application indicates that the utility has experienced and is experiencing an increasing demand for its telephone services, which demand has required and again requires the expansion of its facilities. In order to obtain funds to repay short-term indebtedness incurred for plant additions and to provide for further plant additions, applicant proposes to

borrow \$130,000 from West Coast Life Insurance Company pursuant to a Note Purchase Agreement.

The borrowing would be evidenced by an 8% First Mortgage Note, due May 1, 1993. Annual principal payments of \$4,400 would be required, and the note would be subject to a restricted prepayment provision until May 1, 1983. Said note would be secured by existing mortgages pursuant to a proposed Participation Agreement, and by a proposed Co-Mortgage of Property and Security Agreement.

After consideration the Commission finds that:

1. The proposed documents would not be adverse to the public interest.
2. The proposed note issue is for proper purposes.
3. The proposed restricted prepayment provision is reasonable.
4. 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.

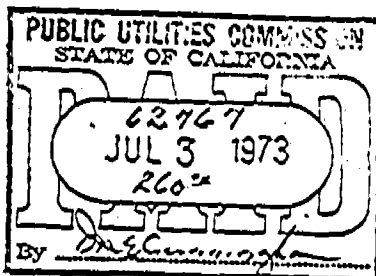
On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The authorization herein granted is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Evans Telephone Company, on or after the effective date hereof and on or before December 31, 1973, for the purposes set forth in the application, may enter into a Note Purchase Agreement with West Coast Life Insurance Company, and may issue a Mortgage Note in the principal amount of not exceeding \$130,000. The documents shall be in substantially the same forms as those attached to the application.
2. Evans Telephone Company may become a party to a Participation Agreement, and may execute and deliver a Co-Mortgage of Property and Security Agreement and such additional Co-Mortgages as may be required from time to time. The documents shall be in substantially the same forms as those attached to the application.
3. Evans Telephone Company shall file with the Commission the reports 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 Evans Telephone Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$260.

Dated at Los Angeles, California, this 26th day of June, 1973.



Vernon L. Sturgeon
President

William Symons, Jr.
Commissioners

J. P. Vukasin, Jr.
Commissioners

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

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