

Decision No. 81536

**ORIGINAL**

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 \$1,181,250, issue )  
notes therefore and to execute )  
supplemental security instruments. )

Application No. 54040  
(Filed May 17, 1973)

O P I N I O N

The Ponderosa Telephone Co. seeks authority (a) to enter into a Telephone Loan Contract Amendment, (b) to issue a Rural Telephone Bank Mortgage Note or Notes in the aggregate principal amount of not exceeding \$1,181,250, 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. According to the application, the company is experiencing an increasing demand for its telephone services, which demand requires the expansion of its facilities as set forth in the Telephone Loan Budget attached to the application as Exhibit A. In order to obtain funds for such expansion and \$56,250 for the required purchase of Class B stock of the Rural Telephone Bank, applicant contemplates borrowing \$1,181,250 from said bank pursuant to the terms of a proposed Telephone Loan Contract

Amendment. The borrowing would be evidenced by a 35-year Mortgage Note, or Notes, bearing interest at the rate of 6% 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 documents would not be adverse to the public interest.
2. The proposed Mortgage Note or Notes would be for proper purposes.
3. 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 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 proposed serving arrangements or tariff modifications.

O R D E R

IT IS ORDERED that:

1. The Ponderosa Telephone Co. may enter into a Telephone Loan Contract Amendment with the United States of America, acting through the Administrator of the Rural Electrification

Administration, and the Rural Telephone Bank, acting through its Governor. The document shall be in substantially the same form as Exhibit B attached to the application.

2. The Ponderosa Telephone Co. may execute and deliver a Supplemental Mortgage and Security Agreement in substantially the same form as Exhibit D attached to the application, and such additional Supplemental Mortgages and/or Security Agreements as are required by the terms of said Telephone Loan Contract Amendment.

3. The Ponderosa Telephone Co., in order to obtain funds for the purposes specified in the application, may issue and deliver a Mortgage Note or Notes in the aggregate principal amount of not exceeding \$1,181,250, which Mortgage Note or Notes shall be in substantially the same form as Exhibit C attached to the application.

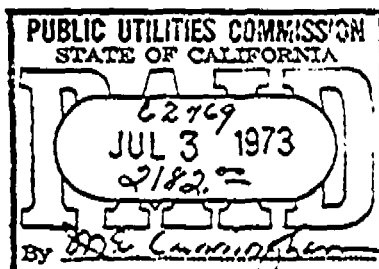
4. The Ponderosa Telephone Co. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

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 \$2,182.

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

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.



Hermon L. Stinson  
President

[Signature]  
[Signature]  
Commissioners