

LOB

Decision No. 81628

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)

THE SISKIYOU TELEPHONE COMPANY)

for an Order authorizing it to)
borrow up to \$905,100, issue)
notes therefor, and execute)
supplemental security)
instruments, and for authority)
to establish a new Somes Bar)
Exchange and Base Rate Area,)
and to establish rates therefor.)

Application No. 53939
(Filed April 5, 1973)
and Amendment
(Filed April 25, 1973)

O P I N I O N

The Siskiyou Telephone Company 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 \$905,100, (c) to execute and deliver supplemental mortgages, (d) to establish the Somes Bar exchange and base rate area, and (e) to establish rates for said exchange and base rate area.

Applicant is a California corporation furnishing telephone services in portions of Siskiyou County. According to the application, the company is experiencing an increasing demand for its telephone services, which demand requires the expansion of its facilities as summarized in the Telephone Loan Budget attached to the amendment to the application as the first page of Exhibit J. Such expansion of facilities would include the establishment of the Somes Bar exchange and base rate area, for which applicant proposes to establish monthly rates, as follows:

<u>Class of Service</u>	<u>Business</u>	<u>Residential</u>	<u>Mileage Charges Per 1/2 Mile</u>
One-Party	\$4.75	\$3.75	\$.60
Two-Party	4.00	3.10	.40
Four-Party (Rural)	4.50	3.55	None
Pay station	4.75	-	None
Extension	1.50	1.25	-

The application indicates that telephone service in the Somes Bar area has become economically desirable due to the population growth in said area, and that such service would be adequately and economically afforded by establishment of the proposed exchange and base rate area.

In order to obtain funds for the expansion and \$43,100 for the required purchase of Class B stock of the Rural Telephone Bank, the utility contemplates borrowing \$905,100 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 not exceeding 8% per annum, and secured by an existing mortgage, a proposed Supplemental Mortgage and Security Agreement and such additional supplemental mortgages as may be required.

After consideration the Commission finds that:

1. The establishment of the Somes Bar exchange and base rate area is in the public interest.
2. The proposed telephone rates are reasonable.
3. The proposed documents would not be adverse to the public interest.
4. The proposed Mortgage Note or Notes would be for proper purposes.
5. 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, as amended, 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:

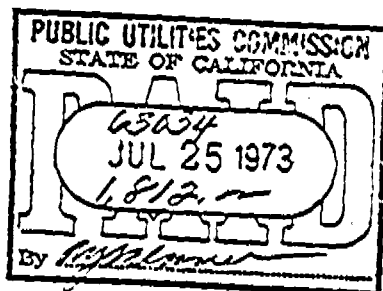
1. The Siskiyou Telephone Company may establish the Somes Bar exchange and base rate area with boundaries as defined in Exhibits G and H, respectively, attached to the application.
2. Coincident with the establishment of the Somes Bar exchange, after not less than five days' notice to the public and to this Commission, The Siskiyou Telephone Company, in compliance with General Order No. 96-A, may file and make effective the proposed rates as set forth in Exhibit F attached to the application.
3. The Siskiyou Telephone Company 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.
4. The Siskiyou Telephone Company 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 as are required by the terms of said Telephone Loan Contract Amendment.

5. The Siskiyou Telephone Company, for the purposes specified in the application, may issue and deliver a Mortgage Note or Notes in the aggregate principal amount of not exceeding \$905,100, which Mortgage Note or Notes shall be in substantially the same form as Exhibit C attached to the application.

6. The Siskiyou 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.

7. This order shall become effective when The Siskiyou Telephone Company has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$1,812. Unless exercised, any authority herein granted will expire on July 31, 1975.

Dated at San Francisco, California, this 24th day of July, 1973.



Verano L. Sturgeon
President
[Signature]
[Signature]
Commissioners

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