

LOB

Decision No. 81818

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )

DUCOR TELEPHONE COMPANY )

for an Order authorizing it to )  
borrow up to \$575,000, issue )  
notes therefor and to execute )  
security instruments. )

Application No. 54187  
(Filed July 20, 1973)

O P I N I O N

Ducor Telephone Company seeks authority (a) to enter into a Telephone Loan Contract, (b) to issue a Rural Electrification Administration Mortgage Note or Notes in the aggregate principal amount of not exceeding \$575,000, and (c) to execute and deliver a Mortgage and Security Agreement and Supplemental Mortgages and/or Security Agreements.

Applicant is a California corporation furnishing telephone services in portions of Tulare County. According to the application, the company is experiencing an increasing demand for higher grades of the telephone services provided by it, which demand requires the expansion and partial replacement and renewal 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, partial replacement and renewal of its facilities, and to repay the outstanding balance of an existing indebtedness incurred for plant additions, applicant contemplates borrowing \$575,000 from

the Rural Electrification Administration pursuant to the terms of a proposed Telephone Loan Contract. The borrowing would be evidenced by a 35-year Mortgage Note or Notes bearing interest at the rate of 2% per annum, and secured by a proposed Mortgage and Security Agreement and by 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. Ducor Telephone Company may enter into a Telephone Loan Contract with the United States of America, acting through the Administrator of the Rural Electrification Administration. The document shall be in substantially the same form as Exhibit B attached to the application.

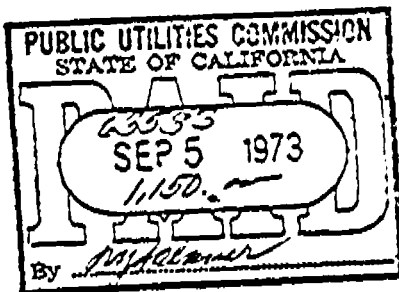
2. Ducor Telephone Company may execute and deliver a Mortgage and Security Agreement in substantially the same form as Exhibit D attached to the application, and such additional Supplemental Mortgages and/or Security Agreements as are required by the terms of said Telephone Loan Contract.

3. Ducor 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 \$575,000, which Mortgage Note or Notes shall be in substantially the same form as Exhibit C attached to the application.

4. Ducor 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.

5. This order shall become effective when Ducor Telephone Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,150.

Dated at San Francisco, California, this 28th day of August, 1973.



*Vernon L. Sturgeon*  
President  
*William Seymour*  
*D. W. Holmes*  
*John P. ...*  
Commissioners

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