

ORIGINAL

Decision No. 84329

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Calaveras Telephone Company

- (1) To enter into an amended and supplemental loan agreement with the United States of America under and pursuant to the Rural Electrification Act of 1936, as amended, acting through the Administrator of the Rural Electrification Administration;
- (2) To execute its promissory note to said United States of America, payable to the order of Rural Telephone Bank in the sum of \$630,000.00, said obligation to bear interest at the rate of eight percent per annum;
- (3) To execute and deliver any other documents required as supplements to the mortgage of realty and chattels covering all of the properties of applicant as security for the payment of said obligation;
- (4) To apply the proceeds derived from said note to the further expansion of the plant and facilities of said company.

Application No. 55558
(Filed March 13, 1975)

O P I N I O N

Calaveras Telephone Company seeks authority (1) to enter into a Telephone Loan Contract Amendment, (2) to execute and deliver documents supplemental to a previously authorized Mortgage of Realty and Chattels, and (3) to issue and deliver its Rural Telephone Bank promissory note in the principal amount of not exceeding \$630,000.

Applicant is a California corporation owning and operating a telephone system serving portions of Calaveras and Stanislaus Counties. The company proposes to construct facilities to extend service to 190 additional subscribers.

The utility proposes to borrow \$630,000 from the Rural Telephone Bank for the construction of additional facilities, for upgrading service throughout the system, for other system improvements including construction of a new headquarters building, and for meeting the required \$30,000 purchase price for Class B stock of the lender. The borrowing would be evidenced by a 35-year note, which note would bear interest at the rate of 3% per annum and would be secured by an existing Mortgage of Realty and Chattels, as supplemented, and by a proposed Supplemental Mortgage 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 would be for proper purposes.
3. The money, property or labor to be procured or paid for by 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 (a) amounts to be included in proceedings for the determination of just and reasonable rates, or (b) concurrence in the reasonableness of serving arrangements or tariff modifications proposed by the Rural Electrification Administration or the Rural Telephone Bank.

O R D E R

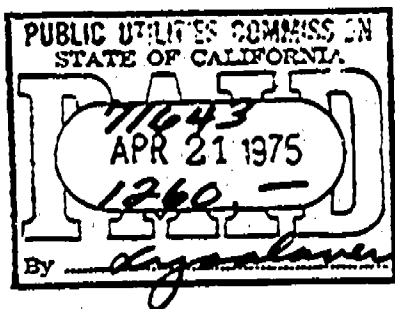
IT IS ORDERED that:

1. Calaveras 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 F attached to the application.
2. Calaveras Telephone Company may execute and deliver a Supplemental Mortgage and Security Agreement in substantially the same form as Exhibit G attached to the application, and such additional documents as may be required as further supplements to its Mortgage of Realty and Chattels.
3. Calaveras Telephone Company, for the purposes specified in the application, may issue and deliver a Mortgage Note in the principal amount of not exceeding \$630,000, which note shall be in substantially the same form as Exhibit E attached to the application.

4. Calaveras 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 Calaveras Telephone Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,260.

Dated at San Francisco, California, this 15th day of APRIL, 1975.



Vernon L. Lutz President
William L. Lutz
Edward L. Lutz
Leonard Ross
Robert Lutz Commissioners