

ORIGINALDecision No. 84806

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

THE PONDEROSA TELEPHONE CO.)

Application No. 55735
(Filed June 12, 1975)for an Order authorizing it to)
issue a note or notes aggregating)
not exceeding \$4,490,000, and to)
execute agreements and supplemental)
security instruments.)O P I N I O N

The Ponderosa Telephone Co. seeks authority (a) to enter into a letter agreement with the Rural Electrification Administration, (b) to issue a Federal Financing Bank Mortgage Note or Notes in the aggregate principal amount of not exceeding \$4,490,000, and (c) to execute and deliver related encumbering documents.

Applicant is a California corporation furnishing telephone services in portions of Fresno and Madera Counties. The company states that it is experiencing an increasing demand for increased quantities and quality of its telephone services and for higher grades of service, which demand requires the expansion of its facilities as summarized in Exhibits A and A-1 attached to the application. In order to obtain funds for such expansion, applicant proposes to borrow \$4,490,000 from the Federal Financing Bank with a Rural Electrification Administration guarantee. The borrowings will be evidenced by a Mortgage Note or Notes bearing interest determined in accordance with Section 2285(b) of the United States Code. Maturity will occur no later than 34 years after the end of the calendar year in which each advance is made.

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:

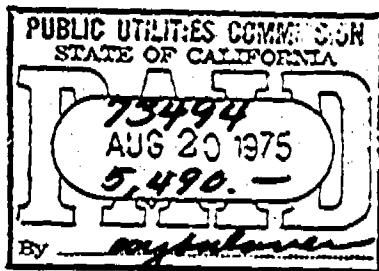
1. The Ponderosa Telephone Co. may enter into a Rural Electrification Administration letter agreement for the borrowing from the Federal Financing Bank of not exceeding \$4,490,000 on substantially the same terms and conditions and in the manner set forth in Exhibit B attached to the application.
2. The Ponderosa Telephone Co., in order to obtain funds for the purposes specified in the application, may issue a Mortgage Note or Notes in the aggregate principal amount of not exceeding \$4,490,000, which Note or Notes shall be in substantially the same form as Exhibit C attached to the application.

3. The Ponderosa Telephone Co. may execute and deliver a Supplement to Supplemental Mortgage and Security Agreement in substantially the form set forth in Exhibit D attached to the application, and such additional security documents as are required from time to time by the lender or the guarantor.

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 \$5,490.

Dated at San Francisco, California, this 19th day of AUGUST, 1975.



[Signature] President
William J. Lyons
[Signature]
[Signature] Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.