

LSC

Decision No. 84856

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Tuolumne Telephone Co.)

For authority to issue a \$3,633,000)
note; and, for authority to enter)
into a Supplemental Agreement with)
the Rural Telephone Bank.)

Application No. 55827
(Filed July 23, 1975)

O P I N I O N

Tuolumne Telephone Co. seeks authority to enter into a supplemental loan agreement, and to issue its Rural Telephone Bank promissory note in the principal amount of \$3,633,000.

Applicant is a California corporation engaged in the business of furnishing exchange and toll telephone service in the Counties of Shasta, Tehama and Tuolumne. The company reports that it furnishes automatic dial exchange telephone service to approximately 1,246 company-owned stations within its Tuolumne exchange, and 1,032 in Shasta and Tehama Counties.

Applicant proposes to extend service to 467 subscribers in Tuolumne County and 596 subscribers in Shasta and Tehama Counties. The company desires funds for meeting \$3,460,000 of construction costs included in the Telephone Loan Budget attached to the application as Exhibit B, and for the required purchase for \$173,000 of Class B stock of the Rural Telephone Bank.

The utility proposes to obtain such funds by borrowing \$3,633,000 from the Rural Telephone Bank in accordance with a proposed Telephone Loan Contract Amendment. The borrowing would be evidenced by a 35-year note bearing interest at the rate of 7.5% per annum, and secured by an existing mortgage as amended and supplemented.

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 issue of 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.

O R D E R

IT IS ORDERED that:

1. Tuolumne 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 the Governor of the Bank. The document shall be in substantially the same form as Exhibit D attached to the application.

2. Tuolumne Telephone Co., for the purposes specified in this proceeding, may issue a Mortgage Note in the principal amount of not exceeding \$3,633,000, which note shall be in substantially the same form as Exhibit C attached to the application.

3. Tuolumne 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.

4. This order shall become effective when Tuolumne Telephone Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$4,633.

Dated at San Francisco, California, this 3rd day
of SEPTEMBER, 1975.

William J. Lyons President
Thomas J. Stegman
John J. [unclear]
Robert [unclear] Commissioners

