

Decision No. 86016

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE SISKIYOU TELEPHONE)
COMPANY for authority to issue notes)
in an amount not exceeding \$3,135,300,)
and to execute supplemental security)
instruments.)

Application No. 56531
(Filed June 7, 1976)

O P I N I O N

The Siskiyou Telephone Company seeks authority (a) to enter into a Telephone Loan Contract Amendment, (b) to execute and deliver supplemental mortgages, and (c) to issue and deliver a Rural Telephone Bank Note or Notes in the aggregate principal amount of not exceeding \$3,135,300.

Applicant is a California corporation furnishing telephone services in portions of Humboldt and Siskiyou Counties. According to the application, the company is experiencing an increasing demand for higher grades and greater quantity of telephone services, which demand requires the expansion of its facilities.

In order to obtain funds for the expansion and \$149,300 for the required purchase of Class B stock of the Rural Telephone Bank, the utility contemplates borrowing \$3,135,300 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 7% per annum, and secured by an existing mortgage, and such additional supplemental mortgages as may be required.

More specifically, applicant proposes to expend the note proceeds as follows:

Central office equipment	\$1,502,000
Outside plant and station equipment	1,235,000
Engineering of plant construction and acquisition	229,000
Miscellaneous items not in whole or part chargeable to operating expenses or to income	20,000
Rural Telephone Bank Class B stock	<u>149,300</u>
Total	<u>\$3,135,300</u>

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.
4. There is no known opposition and there is no reason to delay granting the relief requested.

On the basis of the foregoing findings we conclude that the application should be granted, and that the effective date of the order should be the date on which applicant pays the prescribed fee. 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 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 A attached to the application.
2. The Siskiyou Telephone Company may execute and deliver such supplemental mortgages as are required by the terms of said Telephone Loan Contract Amendment.
3. 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 \$3,135,300, which Mortgage Note or Notes shall be in substantially the same form as Exhibit B attached to the application.
4. 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.

5. 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 \$4,136.

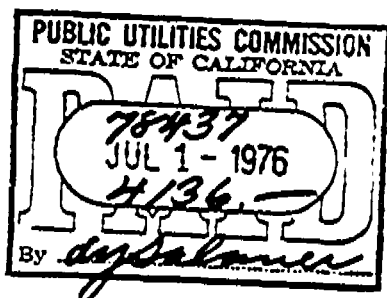
Dated at San Francisco, California, this 29th day of San Francisco, 1976.

President
William S. Siskiyon

Vernon L. Steigman

Hors

Robert Bateman
Commissioners



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