

CACD/KLE

Decision SS 01 021 JAN 13 1988

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
 of THE PONDEROSA TELEPHONE CO. )  
 for an Order authorizing it to )  
 issue a note in an aggregate )  
 amount not exceeding \$7,219,000 )  
 and to execute a related agree- )  
 ment and supplemental security )  
 instruments. )

(U 1014 C)

**ORIGINAL**

Application 59946  
 (Filed September 17, 1980;  
 Petition for Modification,  
 Filed December 11, 1987)

SUPPLEMENTAL OPINIONSummary of Decision

This decision grants The Ponderosa Telephone Co.  
 (Ponderosa) the authority requested in its petition for  
 modification of Decision (D.)92417.

In D.92417 dated November 18, 1980 in Application  
 (A.)59946, Ponderosa was authorized, by the Commission, (among  
 other things) to enter into a telephone loan contract amendment  
 (Contract) with the Rural Electrification Administration (REA)  
 and the Rural Telephone Bank (RTB) and to issue and deliver to  
 the REA a long-term Mortgage Note (Note) in an aggregate princi-  
 pal amount not to exceed \$7,219,000 to finance improvements of  
 the company's plant facilities.

Ponderosa, in its petition for modification of D.92417  
 filed on December 11, 1987, requests a five-year extension of  
 time in which to obtain and repay the loan funds from the REA  
 which were authorized in D.92417.

Notice of the filing of the petition for modification  
 appeared on the Commission's Daily Calendar of December 17, 1987.  
 No protests have been received.

Justification for Extension of Time

On December 4, 1980 under D.92417, Ponderosa executed the Contract and issued a Note to the REA. The Contract provided that the loan funds would be advanced to Ponderosa over a six-year period and the Note provided for the repayment of the loan funds over a period of 35 years.

Currently, all of the loan funds have not been advanced, as set forth in the Contract. The Contract expired on December 4, 1986. The REA has agreed to extend the time period for advancing loan funds and to extend the schedule for repayment of these loan funds. Since the Commission approved the terms of the Contract, authorization is required for Ponderosa to enter into an extension of time agreement with the REA.

When subsequently advanced, the loan funds would bear interest at five percent per year. In Ponderosa's petition for modification, the utility alleges that granting the five-year extension of time would be beneficial to the company because of the low five percent interest rate per year on the Note.

The Commission Advisory and Compliance Division has reviewed Ponderosa's petition for modification of D.92417 and has concluded that granting Ponderosa the five-year extension of time for loan funds to be advanced and the schedule for repayment of these loan funds are reasonable.

Findings of Fact

1. Ponderosa, a California corporation, operates as a public utility subject to the jurisdiction of this Commission.
2. The proposed five-year extension of time for loan funds to be advanced and the schedule for repayment of these loan funds would be for proper purposes and would not be adverse to the public interest.
3. There is no known opposition to the proceeding and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.
2. The petition for modification should be granted to the extent set forth in the supplemental order that follows.

The following supplemental order should be effective on the date of signature to enable Ponderosa to implement the extension of time expeditiously. No additional fees are due or payable.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. The Ponderosa Telephone Co. (Ponderosa), on or after the effective date of this supplemental order and on or before December 31, 1993, is authorized a five-year extension of time for loan funds to be advanced and to extend the schedule for repayment of these loan funds as set forth in the petition for modification of Decision (D.) 92417.

2. This supplemental order is effective today.


The petition for modification is granted as set forth above. In all other respects, D.92417 remains in full force and effect.

Dated JAN 13 1988, at San Francisco, California.

DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

Commissioner Stanley W. Hulett  
being necessarily absent, did  
not participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Victor Wulger, Executive Director

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