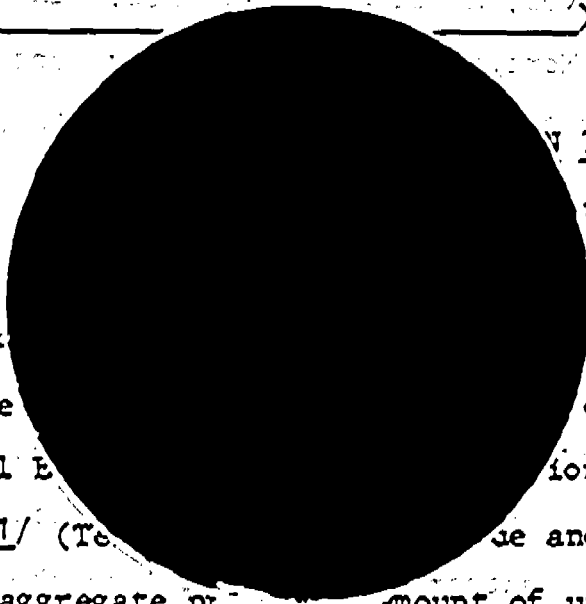


Decision 82 09 027 SEP 8 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

Application of THE SISKIYOU TELEPHONE COMPANY for modification of Decision No. 86016.

Application 82-07-65 (Filed July 29, 1982)



FIN

...ted June 29, 1976 in Application (A.) ... company (Siskiyou) was authorized Loan Contract Amendment (Telephone of America, acting through the Rural E... ion (REA) and the Rural Telephone Bank^{1/} (Te... e and deliver a Mortgage Note in the aggregate pr... amount of up to \$3,135,300 to finance needed improvements in Siskiyou's plant.

Under D.86016, Siskiyou executed the Telephone Loan which provided that the loan funds would be advanced to Siskiyou over a 6-year period. The Mortgage Note provided for the repayment over a 35-year period of the loan funds to be advanced.

^{1/} The Rural Telephone Bank is an agency of the United States of America and is subject to the supervision and direction of the Secretary of Agriculture. The bank's general purpose is to provide assured and viable sources of financing to supplement the telephone loan program administered by the REA.

During calendar year 1981, Siskiyou reports in its Annual Report to the Commission that it generated total operating revenues of \$2,961,373 and net income of \$358,373.

Siskiyou also provides its Balance Sheet as of December 31, 1981 that is summarized below:

<u>Assets</u>	<u>Amount</u>
Net Telephone Plant	\$6,227,453
Other Investment	344,211
Current Assets	1,110,857
Prepaid and	62,376
	<u>744,897</u>
<u>Liab</u>	
Common Eq	332,667
Long-Term	553,925
Current a	253,670
Deferred C	<u>4,635</u>
	744,897

Siskiyou is experiencing demand for higher grades and greater quantity of telephone service which demand requires the continued expansion of its facilities.

The Commission's Revenue Requirements Division and the Communications Division has reviewed the application and have concluded the Telephone Loan as authorized under D.86016 and Siskiyou's construction program are necessary. The Divisions have no objection to the proposed Agreement but reserve the right to reconsider the reasonableness of any specific financing program and construction expenditure in future rate proceedings.

The proposed Telephone Loan and Agreement are for a lawful purpose and the money, property, or labor to be obtained by it is required for this purpose. Proceeds from the Telephone Loan may not be charged to operating expenses or income.

The following order should be effective on the date of signature to enable Signatory to execute the Agreement expeditiously.

IT IS

1. Decision 5 in Application 56531 is modified. Telephone Company is authorized, on [redacted] of this order and on or before December 3, [redacted] a Basis Date Agreement with the Rural Telephone [redacted] document which shall be substantially the same form as set forth in Exhibit A attached to the application.

CORRECTION

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

Decision 82 09 027 SEP 8 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE SISKIYOU TELEPHONE COMPANY for modification of Decision No. 86016.

Application 82-07-65 (Filed July 29, 1982)

O P I N I O N

By Decision (D.) 86016 dated June 29, 1976 in Application (A.) 56531, The Siskiyou Telephone Company (Siskiyou) was authorized to enter into a Telephone Loan Contract Amendment (Telephone Loan) with the United States of America, acting through the Rural Electrification Administration (REA) and the Rural Telephone Bank^{1/} (Telephone Bank) to issue and deliver a Mortgage Note in the aggregate principal amount of up to \$3,135,300 to finance needed improvements in Siskiyou's plant.

Under D.86016, Siskiyou executed the Telephone Loan which provided that the loan funds would be advanced to Siskiyou over a 6-year period. The Mortgage Note provided for the repayment over a 35-year period of the loan funds to be advanced.

1/ The Rural Telephone Bank is an agency of the United States of America and is subject to the supervision and direction of the Secretary of Agriculture. The bank's general purpose is to provide assured and viable sources of financing to supplement the telephone loan program administered by the REA.

During calendar year 1981, Siskiyou reports in its Annual Report to the Commission that it generated total operating revenues of \$2,961,373 and net income of \$358,373.

Siskiyou also provides its Balance Sheet as of December 31, 1981 that is summarized below:

<u>Assets</u>	<u>Amount</u>
Net Telephone Plant	\$6,227,453
Other Investments	344,211
Current Assets	1,110,857
Prepaid and Deferred Charges	62,376
Total	\$7,744,897
 <u>Liabilities and Equity</u>	
Common Equity	\$2,832,667
Long-Term Debt	4,653,925
Current and Accrued Liabilities	253,670
Deferred Credits	4,635
Total	\$7,744,897

Siskiyou is experiencing an increasing demand for higher grades and greater quantity of telephone service which demand requires the continued expansion of its facilities.

The Commission's Revenue Requirements Division and the Communications Division has reviewed the application and have concluded the Telephone Loan as authorized under D.86016 and Siskiyou's construction program are necessary. The Divisions have no objection to the proposed Agreement but reserve the right to reconsider the reasonableness of any specific financing program and construction expenditure in future rate proceedings.

Findings of Fact

1. Siskiyou, a California corporation, operates as a public telephone utility under the jurisdiction of this Commission.
2. Execution of the Agreement is in the best interest of Siskiyou because the Agreement assures the continued availability of the previously approved Telephone Bank loan funds to finance the required improvements of Siskiyou's facilities.
3. Execution of the Agreement is not adverse to the public interest.
4. Siskiyou has need for external funds for the purposes set forth in this proceeding.
5. The money, property, or labor to be procured or paid for by the proposed Telephone Loan, as approved under D.86016, is reasonably required for the purpose specified in the application.
6. The proposed Agreement is for a proper purpose.
7. There is no known opposition and there is no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.
2. The application should be granted to the extent set forth in the order which follows.

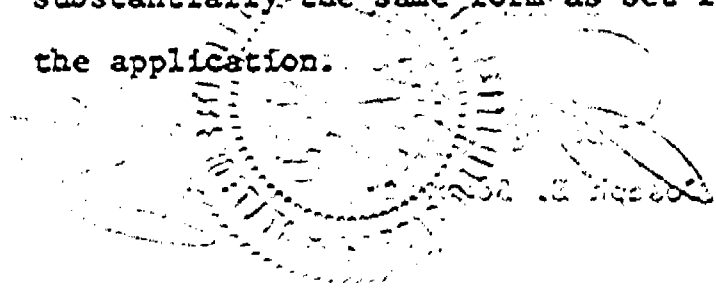
The proposed Telephone Loan and Agreement are for a lawful purpose and the money, property, or labor to be obtained by it is required for this purpose. Proceeds from the Telephone Loan may not be charged to operating expenses or income.

The following order should be effective on the date of signature to enable Siskiyou to execute the Agreement expeditiously.

O R D E R

IT IS ORDERED that:

1. Decision (D.)86016 dated June 29, 1976 in Application 56531 is modified to provide that The Siskiyou Telephone Company is authorized, on or after the effective date of this order and on or before December 31, 1982, to enter into a Basis Date Agreement with the Rural Telephone Bank under a document which shall be substantially the same form as set forth in Exhibit A attached to the application.



2. In all other respects, D.86016 dated June 29, 1976 in Application 56531 remains in full force and effect.

This order is effective today.

Dated SEP 8 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. CRAVELLE
LEONARD M. CRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

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

Joseph E. Bodovitz
Joseph E. Bodovitz, Executive Director

Siskiyou anticipated that the improvements of its facilities would be completed within the six years following the date of the Mortgage Note, and that all loan funds would be advanced within that time. However, as of July 12, 1982, six years following the date of the Mortgage Note, the improvements have not yet been completed, and \$1,287,000 of the \$3,135,300 which was approved has not yet been advanced.

In regard to the present application, the REA and the Telephone Bank have requested Siskiyou to execute a Basic Date Agreement (Agreement) dated as of July 12, 1982 in the form attached to the application as Exhibit A to enable Siskiyou to obtain the remaining \$1,287,000 of the previously approved loan.

Siskiyou requests it be authorized to enter into the Agreement that will enable it to draw the remaining loan funds for an additional 3 years. The Agreement also provides for the repayment of the loan funds over a 35-year period following the date of the Agreement. The Agreement does not affect the repayment of loan funds already advanced and does not change any other terms of the loan.

Notice of the filing of the application appeared on the Commission's Daily Calendar of August 5, 1982. No protests have been received.

Siskiyou, a California corporation, provides telephone service in portions of Humboldt and Siskiyou Counties.

During calendar year 1981, Siskiyou reports in its Annual Report to the Commission that it generated total operating revenues of \$2,961,373 and net income of \$358,373.

Siskiyou also provides its Balance Sheet as of December 31, 1981 that is summarized below:

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Siskiyou is experiencing an increasing demand for higher grades and greater quantity of telephone service which demand requires the continued expansion of its facilities.

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Findings of Fact

1. Siskiyou, a California corporation, operates as a public telephone utility under the jurisdiction of this Commission.
2. Execution of the Agreement is in the best interest of Siskiyou because the Agreement assures the continued availability of the previously approved Telephone Bank loan funds to finance the required improvements of Siskiyou's facilities.
3. Execution of the Agreement is not adverse to the public interest.
4. Siskiyou has need for external funds for the purposes set forth in this proceeding.
5. The money, property, or labor to be procured or paid for by the proposed Telephone Loan, as approved under D.86016, is reasonably required for the purpose specified in the application.
6. The proposed Agreement is for a proper purpose.
7. There is no known opposition and there is no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.
2. The application should be granted to the extent set forth in the order which follows.

The proposed Telephone Loan and Agreement are for a lawful purpose and the money, property, or labor to be obtained by it is required for this purpose. Proceeds from the Telephone Loan may not be charged to operating expenses or income.

The following order should be effective on the date of signature to enable Siskiyou to execute the Agreement expeditiously.

O R D E R

IT IS ORDERED that:

1. Decision (D.)86016 dated June 29, 1976 in Application 56531 is modified to provide that The Siskiyou Telephone Company is authorized, on or after the effective date of this order and on or before December 31, 1982, to enter into a Basis Date Agreement with the Rural Telephone Bank under a document which shall be substantially the same form as set forth in Exhibit A attached to the application.

2. In all other respects, D.86016 dated June 29, 1976 in Application 56531 remains in full force and effect.

This order ~~is~~ effective today.

Dated SEP 8 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners