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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of)
 HORNITOS TELEPHONE CO.,)
 A Corporation,)
 For Authority to Issue Notes)
 Aggregating Not Exceeding)
 \$125,000 and to Execute a)
 Financing Agreement, Mortgage)
 and Supplemental Mortgages.)

Application No. 58162
 (Filed June 22, 1978)

and
 Petition for Modification
 (Filed January 11, 1979)

SUPPLEMENTAL OPINION

Hornitos Telephone Company, by Decision No. 89633 dated November 9, 1978 in this proceeding, was granted authority to issue not exceeding \$125,000 in notes and to encumber utility property. The decision ordered the utility to apply the proceeds from the issuance of said notes to the purchase and construction of telephone plant which was then on order and under construction. The decision further ordered that none of the proceeds of said notes was to be expended in the Catheys Valley or Mt. Bullion areas pending solution of the boundary service problems in those areas and until further order of this Commission.

Owing primarily to the length of time between preparation of the application and the date of the Commission's order, much of the \$125,000 needed for proposed additions to plant has already been borrowed on short-term or demand notes. The borrowed funds have been applied to projects consistent with those outlined in the application, and, prior to November 9, 1978, some funds were applied to the projects in Catheys Valley and Mt. Bullion.

Because one of the purposes for the funds sought in the application is to refinance indebtedness, Hornitos Telephone Company requests modification of Ordering Paragraph No. 3 of Decision No. 89633 to allow for this purpose. In addition, because some expenditures were made in Catheys Valley and Mt. Bullion prior to the date of the decision, the company requests that Ordering Paragraph No. 8 be modified to take into account the effective date of the decision.

The Finance Division and the Communications Division have no objection to the proposed modifications.

The Commission finds that the petitioner's request is reasonable. The proposed changes are without controversy. There is no known opposition and no reason to delay granting the petitioner's request.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Ordering Paragraphs Nos. 3 and 8 of Decision No. 89633 are hereby amended to read as follows:

3. Hornitos Telephone Company shall apply the proceeds from the issuance of said notes for the purposes referred to in the application and to refinance outstanding indebtedness incurred for such purposes.
8. None of the funds authorized herein shall be expended for construction or plant additions begun after November 9, 1978 in the Catheys Valley or Mt. Bullion areas pending solution of the boundary service problems in those areas and until further order of this Commission.

2. In all other respects, Decision No. 89633 shall remain in full force and effect.

The effective date of this supplemental order is the date hereof.

Dated at San Francisco, California this 14th day of FEBRUARY 1979.

Commissioner Leonard M. Grimes, Jr., being necessarily absent, did not participate.

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

John E. Coyne
President
Thomas L. Steyer

Clair T. DeBrie

Commissioners