

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.