

ORIGINALDecision No. 47989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PLUMAS-SIERRA RURAL ELECTRIC CO-OPERATIVE, a corporation, for a certificate of public necessity and convenience; for ratification of loans and issuance of evidence of indebtedness and mortgages; for ratification of present membership and authority to accept future members, for approval of construction.

Application No. 33396

S.C. Young and William L. Anderson for Applicant; Ralph W. DuVal and Frederick T. Searls for Pacific Gas and Electric Company; E. K. Albert, A. U. Zimmerman, Orrick, Dahlquist, Neff and Herrington, by Warren A. Palmer, and Pardee and Cady, by Donald Cady, for California Pacific Utilities Company; Frank A. Tracy and Vernon D. Armstrong for Sierra Pacific Power Company; Henry Magill, Mrs. Fred Stogsdill, and Virgil Mastelotto, interested parties.

O P I N I O N

Applicant is a California nonprofit cooperative corporation, organized in 1937. Financed by loans under the federal Rural Electrification Act, applicant has constructed electric transmission and distribution lines in Plumas, Sierra, and Lassen counties, and is presently furnishing electrical energy to approximately 1100 consumers in those counties. In Re Plumas-Sierra Rural Elec. Cooperative, 50 C.P.U.C. 301, applicant was held to be operating as a public utility "electrical corporation" within the meaning of the California Public Utilities Code. Review of that decision was denied by the California Supreme Court. (Plumas-Sierra Rural Elec. Cooperative v. Public Utilities Commission, S.F. No. 18353.) Rates and rules have been filed with the Commission pursuant to that decision.

Applicant requests authorization to exercise franchise rights granted by the three counties, approval of past and proposed construction of facilities, authorization to borrow an additional \$255,000 from the United States of America and to execute a promissory note and supplemental mortgage, authorization to carry out the terms and provisions of past notes and mortgages executed before applicant was adjudged to be a public utility, and ratification of the acceptance of past members of applicant and authorization to accept future members in such territory as may be allocated to applicant in this proceeding.

After a prehearing conference at San Francisco, public hearings were held at Portola and Susanville before Commissioner Huls and Examiner Cassidy and the matter was submitted subject to the filing of certain additional exhibits.

That public convenience and necessity require the furnishing of electric service by applicant utility is beyond question. However, three other utilities supply like service in or near certain portions of the area for which applicant requests a certificate. Systems overlap in particular localities. In other localities there are also conflicting claims concerning which utility should be permitted to expand its operations therein. The utilities involved have succeeded in composing a number of their differences and the application was amended at the hearings. As to "disputed areas" where agreement was not possible, the various utilities cooperated in the preparation of agreed maps depicting their differences and have presented evidence in support of their respective contentions. Numerous consumers also appeared and testified concerning their particular problems.

The Commission has the task of resolving the various contentions and positions as to service areas on a rational basis, consistent with the record and with the overall public interest of both the

users and the suppliers of electric service. The factual situations which have developed with the growth and expansion of the several utilities require the demarcation and allocation of respective service areas. Such action is basic to the orderly development and maintenance of adequate electric service throughout the areas affected.

All electrical energy supplied by applicant is purchased from Pacific Gas and Electric Company and delivered to applicant at a point near Quincy, Plumas County. Applicant's facilities near Quincy lie close to those of Pacific Gas and Electric Company. The latter does not object to the issuance of a certificate covering the area requested by applicant, being in apparent agreement with the proposed line of demarcation between the two systems, as set forth on Exhibit A attached to the application.

Sierra Pacific Power Company, with headquarters at Reno, Nevada, furnishes public utility electric service in portions of Plumas and Sierra counties. Among other areas, Sierra Pacific provides service in the communities of Portola (applicant's headquarters) and Delleker (west of Portola), in Plumas County, and Loyalton, in Sierra County.

Applicant and Sierra Pacific are in agreement concerning the boundaries of the respective areas to be served by each in the vicinity of Portola, with the exception of a small "disputed area" near Delleker. Applicant has agreed to relinquish approximately 15 customers in the Portola area to Sierra Pacific. Applicant has eleven customers within the "disputed area" served by minor spurs from its main distribution line through the area. Sierra Pacific serves a group of customers immediately east of the "disputed area." Immediately east of and between that area and the community of Delleker applicant now serves one motor of the Tarter, Webster and Johnson lumber mill and two other customers in the vicinity of what

is known as Maxwell Settlement or Maxwell Camp. These customers are among the fifteen in the Portola area which would be relinquished to Sierra Pacific. Applicant and Sierra Pacific plan to join in an application for authority to transfer to Sierra Pacific applicant's facilities serving those customers. Under applicant's proposal the boundary line between the two utilities would be a line between applicant's then last customer in the area going east and Sierra Pacific's last customer coming west.

It is the position of Sierra Pacific that the "disputed area" is a part of a somewhat built-up area just west of the lumber mill and should be served by Sierra Pacific. From 1930 to 1946 Sierra Pacific served the lumber company and the latter distributed electricity to a number of near-by residential customers. In 1946 Sierra Pacific "purchased the right" to serve customers then being served by the lumber company. It presently serves the lumber company, with the exception of one motor located in the lumber yard and served by applicant.

The area here in dispute is approximately a half section in width and three sections in length. Applicant's lines have been in the area since its system was built. Sierra Pacific has no customers within this area. Under all of the circumstances, applicant's proposed boundary line appears to be an equitable solution and the certificate hereinafter issued to applicant will include the "disputed area" near Delleker.

Applicant and Sierra Pacific have agreed upon the boundary line between their respective service areas in the vicinity of the City of Loyalton, in Sierra County. Under such agreement applicant will relinquish to Sierra Pacific between five and eight customers now served by applicant and the two utilities will join in an application for authority to transfer the facilities used to serve those

customers.

California Pacific Utilities Company supplies electric service in portions of Lassen County in the vicinity of Westwood, Susanville, and Honey Lake. Its earliest predecessor in Lassen County was formed in 1900 to furnish electricity in Susanville. That city granted a franchise in 1911 and a county franchise was obtained in 1913. California Pacific purchases power from Pacific Gas and Electric Company at Westwood and has a transmission line from Westwood to Susanville.

The immediate predecessor of California Pacific purchased the system in 1930. At that time service also was furnished by means of a line to Johnstonville, southeast of Susanville, and thence easterly and north of Lake Leavitt Reservoir to Standish and the Litchfield area. One line extends southerly from Susanville to a point approximately opposite and slightly below Johnstonville. From Johnstonville one line extends southwesterly, another southerly, and a third line southeasterly. The latter line serves Clinton and vicinity. Applicant does not seek a certificate in the area thus far generally described.⁽¹⁾

The first major "disputed area" lies south thereof to the northern boundary of Plumas County and an east-west line between that boundary and Honey Lake, the latter line being south of Buntingville. Reference to Exhibit 26, a map jointly approved by both utilities, will clarify this description of the area in question. This general area of conflict may be divided into three sub-areas, for discussion purposes, as follows:

(1) Applicant has no lines in this area, other than a line running through the area near Johnstonville to serve the Leavitt area north of California Pacific's lines. Applicant wishes to retain the Leavitt area, and to extend northerly therefrom. The northern area will be considered presently.

Sub-area 1 - That area north and west of the Janesville-Buntingville area, and south of the Johnstonville-Clinton area.

Sub-area 2 - The Janesville-Buntingville area.

Sub-area 3 - That area east of the Janesville-Buntingville area and north of Honey Lake.

Applicant's lines run northeasterly from Plumas County on the west side of Honey Lake into sub-area 3, thence westerly across the northern portion of sub-area 2, and thence generally northwesterly in sub-area 1. A spur extends southerly from sub-area 1 into the Janesville-Buntingville area (sub-area 2). Applicant's lines westerly beyond Janesville and into sub-area 1 were constructed in 1938 or 1939. California Pacific has no customers within this sub-area, although it is presently constructing a line therein southwesterly from Janesville to serve eight applicants for service. Applicant has approximately 44 customers within sub-area 1. Twenty-eight of such customers have signed applications for service from California Pacific. Several of the latter customers testified concerning low voltages and outages during the winter season and indicated a desire to receive service from California Pacific.

Sub-area 2 may be described generally as the Janesville-Buntingville area. Within this area California Pacific has 116 customers and applicant has nine customers. Seven of the latter have applied for service from California Pacific. Applicant does not request this area as part of its service area, but has suggested that, wherever its lines are in territory outside of its requested service area, its service be limited to existing services and those additional services which may be mutually agreed upon by the two utilities.

As to sub-areas 1 and 2, under all of the circumstances disclosed by this record, an equitable solution to the situation created by the

building of lines prior to certification, the conflicting desires of the users of electricity therein, the relative locations of the lines of the two utilities, and their respective abilities to render adequate service, lies in the issuance of a non-exclusive certificate to applicant. These two sub-areas will be declared competitive areas, absent an agreement between the two utilities.

The territory within the area termed sub-area 1 is clearly depicted on Exhibit 26. However, the territory referred to as sub-area 2 in this opinion includes that area marked "2" on Exhibit 26, plus the two sections and part of a third section through which applicant's distribution line runs between sub-areas 1 and 3.

It should be stated parenthetically at this point that, although several metes and bounds descriptions are in the record, the order herein will not contain maps or metes and bounds descriptions of the various areas for which a certificate will be granted. Applicant will be directed to prepare a definitive map and appropriate description, consistent with this opinion and order, such map and description to be approved for accuracy by the other utilities directly involved and thereafter to be filed by applicant in this proceeding as an "Agreed Statement of Areas for which Certificate was granted Applicant by Decision No. _____." If necessary, a supplemental order will be issued in the event of substantial disagreement between the parties concerning the effect of this decision.

Sub-area 3 lies east of the Janesville-Buntingville area (sub-area 2) and north of Honey Lake. California Pacific has no lines in this area. Applicant has approximately sixteen customers therein, ten of whom have applied for service from California Pacific. This area is more nearly an integral part of applicant's system, and, in view of all the circumstances of record, an exclusive certificate covering sub-area 3 will be granted to applicant.

Applicant has 69 customers within the three sub-areas discussed above. Sixteen of such customers are in sub-area 3 and will be retained by applicant because of the exclusive certificate to be granted applicant covering that area. The remaining 53 customers of applicant in this general disputed area will be in the so-called "competitive territory." When California Pacific's line to serve eight new customers, presently under construction, is completed, California Pacific will have 124 customers within the competitive territory.

As already indicated, applicant has a line running northerly from the general "disputed area" discussed above. This line runs through the Johnstonville-Clinton area, served by California Pacific. In this area applicant has but one customer. The line proceeds northerly from Johnstonville, thence easterly through Leavitt to a point east of Ward Lake Reservoir. Applicant serves twenty customers from the Leavitt-Ward Lake line. Extending northerly and westerly from this line to Eagle Lake is a sparsely populated area for which applicant seeks a certificate. Such area, hereinafter termed as the Leavitt-Eagle Lake area, is depicted on the map admitted as Exhibit 7.

Applicant assumes the Leavitt-Eagle Lake area to be in dispute in that access thereto is by means of the line running northerly through California Pacific's Johnstonville-Clinton area.

In addition to the twenty customers now served by applicant in the Leavitt-Eagle Lake area, applicant has received ten applications for service from other residents therein. One witness, a rancher in the Willow Creek area, 17 miles by road north of Susanville, and east of Eagle Lake, testified concerning the efforts of nine prospective users to obtain electric service.

Applicant's certificate will include what has been designated herein as the Leavitt-Eagle Lake area, as outlined in green on Ex-

hibit 7. Such certificate will also include the right to construct and maintain through California Pacific's Johnstonville-Clinton area applicant's present line to Leavitt and Ward Lake Reservoir, as well as such other lines as may be necessary to reach the northern area.

The final area in dispute between applicant and California Pacific may be designated as the Herlong area. The major portion of the Herlong area is south of the Sierra Ordnance Depot, but includes a narrow strip west of that depot, as delineated on the maps admitted as Exhibits 7 and 26A. California Pacific serves the Sierra Ordnance Depot by means of a transmission line easterly through Standish and Wendel, and thence southerly to the ordnance depot. This extension was built in 1942. California Pacific proposes to establish an office and a substation at Herlong. Herlong is not an incorporated city, but is the local designation of the housing area of the Sierra Ordnance Depot, and within the perimeter of the depot reservation. It is expected that 125 additional housing units will be constructed on the base. These dwellings will be served by California Pacific. Applicant does not seek to serve within the ordnance depot.

It is represented that within the narrow strip of disputed area immediately west of the Sierra Ordnance Depot a builder is planning construction of 150 off-post housing units. Applicant has a distribution line near the west boundary of this strip of disputed area. In the area south of the ordnance depot applicant has lines presently serving five customers. The entire Herlong disputed area, depicted on Exhibits 7 and 26A, are logically a part of applicant's exclusive service area, and the certificate hereinafter granted will so provide. Under such territorial demarcation, California Pacific will serve within the present boundaries of the Sierra Ordnance Depot, and the area north and east of the Herlong disputed area.

Applicant seeks authority to carry out the terms and provisions of a number of construction loan contracts, mortgages, and notes, executed or issued before applicant was adjudged to be a public utility. (2) The funds obtained under such loans were used for the construction of applicant's system. The system includes 59.2 miles of 44 KV transmission lines, 365.7 miles of distribution lines, and 41.1 miles of services. It serves approximately 1100 customers, including five large industrial services. There are three substations, located at Quincy, Beckwourth and Milford. Applicant owns a headquarters building and real estate at Portola. The cost of the system, as of December 31, 1951, is reported as being \$1,156,171.15.

Applicant will be authorized to carry out the terms of the vari-

(2) These instruments are as follows:

Exhibit

- M - First Mortgage Note, Sept. 15, 1937, \$283,000.
- N - Mortgage, Sept. 15, 1937.
- O - Construction Loan Contract, Aug. 14, 1937.
- P - First Mortgage Note, March 20, 1939, \$25,000.
- Q - Loan Contract, March 18, 1939.
- R - Agreement, April 15, 1939, between applicant, United States of America and Reconstruction Finance Corporation.
- S - First Mortgage Note, March 15, 1940, \$20,000.
- T - Supplemental Mortgage, March 15, 1940.
- U - Amending Loan Contract, Feb. 10, 1940.
- V - Agreement with Reconstruction Finance Corporation, April 15, 1940.
- W - Mortgage Note, April 5, 1941, \$20,000.
- X - Amendment to Amending Loan Contract, April 4, 1941.
- Y - Mortgage Note, Dec. 15, 1941, \$44,000.
- Z - Amendment to Amending Loan Contract, Dec. 13, 1941.
- AA - Mortgage Note, Oct. 22, 1946, \$50,000.
- BB - Supplemental Mortgage, Oct. 21, 1946.
- CC - Amendment to Amending Loan Contract, Oct. 21, 1946.
- DD - Mortgage Note, Oct. 16, 1947, \$200,000.
- EE - Amendment to Amending Loan Contract, Oct. 15, 1947.
- FF - Mortgage Note, Feb. 18, 1948, \$185,000.
- GG - Amendment to Amending Loan Contract, Feb. 17, 1948.
- HH - Agreement with United States of America, Feb. 25, 1949.
- II - Mortgage Note, June 9, 1949, \$320,000.
- JJ - Mortgage, June 9, 1949.
- KK - Amending Loan Agreement, June 9, 1949.
- LL - Amendment to Amending Loan Contract, June 14, 1950.
- MM - Mortgage Note, Oct. 25, 1950, \$40,000.
- NN - Amendment to Amending Loan Contract, Oct. 31, 1950.
- OO - Mortgage Note, Nov. 1, 1950, \$50,000.

ous instruments heretofore listed. However, such authorization is neither intended to be nor to be construed as an approval or authorization to carry out the terms of any provision in a manner which may conflict with the regulatory jurisdiction of this Commission or the duties and obligations of a public utility under California law.

Applicant proposes to borrow from the United States of America, acting through the Rural Electrification Administration, the additional sum of \$255,000, such loan to bear interest at the rate of 2% per annum and payable over a period of thirty-five years. It requests authority to execute a mortgage note in that amount, a supplemental mortgage and an amendment to an amending loan contract.

Applicant reports its capital requirements as follows:

Construction of Beckwourth to Sierraville transmission line,
Services, Connections and Increased Capacities:

| | | |
|---|------------------|------------------|
| Construction | | \$ 122,000.00 |
| 18 miles 69 KV | \$ 82,000.00 | |
| 1000 KVA Substation | 30,000.00 | |
| Connection of Sattley Lumber Company and increased capacity of Sierraville Lumber Co. | <u>10,000.00</u> | |
| Meters | | 2,350.00 |
| Line Transformers | | 18,700.00 |
| Legal Fees | | 750.00 |
| Miscellaneous Legal Expense | | 100.00 |
| Engineering | | 8,000.00 |
| Transmission | 6,500.00 | |
| Substation | <u>1,500.00</u> | |
| Pre-loan expense | | 385.00 |
| Right-of-Way | | 770.00 |
| General Overhead | | 2,000.00 |
| Equipment | | 13,500.00 |
| Office Equipment | 500.00 | |
| Transportation Equipment | 3,000.00 | |
| Tools and Working Equipment | 1,000.00 | |
| Radio Communication Equipment | <u>9,000.00</u> | |
| Member Service - 41 miles - 153 signed and potentials and Increased Capacity: | | 85,050.00 |
| Material - member connections | 40,550.00 | |
| Material - increased capacity 50 members | 5,250.00 | |
| Labor and Other - member connections | 37,000.00 | |
| Labor and Other - increased capacity 50 members | <u>2,250.00</u> | |
| Contingencies | | <u>11,395.00</u> |
| | | \$265,000.00 |
| Less \$10,000.00 available in Transmission Reserve | | <u>10,000.00</u> |
| Amount of N Loan | | \$255,000.00 |

Applicant reports its assets and liabilities, as of December 31,
1951, as follows:

ASSETS

| | | |
|--------------------------------|-------------------|----------------|
| Cash on hand and in Bank | | \$ 26,149.59 |
| Accounts Receivable | \$ 20,123.10 | |
| Less Reserve | 1,527.60 | 18,595.50 |
| Material and Supplies | | 31,630.42 |
| Prepayments | | 1,900.92 |
| | | <hr/> |
| Total Current Assets | | 78,276.43 |
| Electric Plant | 1,087,834.25 | |
| Less Depreciation | <u>182,508.89</u> | 905,325.36 |
| Land and Structures | 39,282.45 | |
| Office Furniture and Equipment | 5,315.71 | |
| Transportation Equipment | 14,974.94 | |
| Other Equipment | 1,126.66 | |
| Tools and Work Equipment | <u>7,637.14</u> | |
| Total General Plant | 68,336.90 | |
| Less Depreciation | <u>12,963.70</u> | 55,373.20 |
| Other Debits | | 3,578.90 |
| | | <hr/> |
| Total Assets and Other Debits | | \$1,042,553.89 |

LIABILITIES

| | | |
|--|--------------|----------------|
| Accounts Payable | | 3,379.56 |
| Accrued Taxes | | 439.42 |
| Accrued Insurance | | 300.11 |
| Accrued Interest | | 561.84 |
| Other Current and Accrued Liabilities | | 1,869.11 |
| | | <hr/> |
| Total Current Liabilities | | 6,550.04 |
| Long Term Debt to Rural Electrification Administration | 1,065,441.61 | |
| Memberships and Consumers' Deposits | 6,585.00 | |
| Other Credits | 1,516.69 | |
| Other Capital | 2,997.67 | |
| Operating Margin | 40,918.39* | |
| Non-Operating Margin | 381.27 | |
| | | <hr/> |
| Total Liabilities and Other Credits | | \$1,042,553.89 |

* - indicates red figure.

Applicant makes quarterly payments on the principal due to the United States and, to date, has repaid approximately \$110,000 of such principal.

It is hereby found that the money, property, or labor to be procured or paid for by the issue of the new note, is reasonably required for the purposes specified in the application and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

The authorization hereinafter granted in connection with the new loan is not to be construed as authorizing applicant to enter into or to carry out the terms of any provision in a manner which may conflict with the regulatory jurisdiction of this Commission or the duties and obligations of a public utility under California law. To illustrate, one provision of the proposed Amendment to Amending Loan Contract reads as follows:

"SEC. 8. Notwithstanding anything contained in this agreement, the Government shall be under no obligation to advance any portion of the \$10,000 of the Loan intended to finance the increased requirements for electric energy of the Sattley Lumber Company and the Sierraville Lumber Company, both located at or near Sierraville, in the County of Sierra, in the State of California, until the Borrower has entered into a binding written agreement, in form and substance satisfactory to and approved by the Administrator, with each of said lumber companies, prescribing the schedule of rates to be paid to the Borrower for electric energy furnished by the Borrower to each of said lumber companies."

Under the Public Utilities Code, each public utility is required to file with the Commission tariff schedules containing its rates and rules and may neither make changes therein which result in an increase nor deviate therefrom, without first obtaining authorization. It is expected that applicant will seek and obtain appropriate authorization before entering into any service contracts which may deviate from its filed rates and rules.

Applicant's filed rates and rules do not contain a rule governing the making of extensions to new customers. Because of the nature of a cooperative organization and the declared general policy of area coverage, it is realized that the extension practice of such a utility may well differ somewhat from the general type of extension rule filed by utilities engaged in business for profit. However, an extension rule should be filed, setting forth a general formula to be applied uniformly to all applicants for service extensions. Applicant intends to file an extension rule and a rule governing disputed bills.

Applicant has requested an order ratifying the acceptance of past members and authorizing the acceptance of future members in such territory as may be allocated to applicant in this proceeding. Applicant is a non-profit cooperative corporation and its articles of incorporation provide that it "is a membership corporation and shall not be authorized to issue shares of stock and is not formed with a view to pecuniary gain or profit to its members." Under its by-laws, any person, firm, or corporation may become a member by paying a membership fee of \$5.00, agreeing to purchase electric energy, and upon acceptance for membership by applicant's directors. No applicant has been refused membership. The membership fee is repaid on withdrawal or termination of membership. For practical purposes, such \$5.00 membership fee is similar to a customer deposit, refundable upon cessation of service. Yet, because of the nature of the corporation, a membership certificate is also an "evidence of interest or ownership" within the meaning of Sections 816-828 of the Public Utilities Code.

Authorization to issue membership certificates will be granted, it being found that the money, property, or labor to be procured or paid for by the issue of membership certificates is reasonably re-

quired for the purposes specified in the application, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

The certificate of public convenience and necessity hereinafter granted is subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of the franchises involved herein or such certificate of public convenience and necessity or the right to own, operate or enjoy such franchises or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchises, certificate of public convenience and necessity or right.

O R D E R

Hearings having been held in the above proceeding, the matter having been submitted, and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that, to the extent and subject to the restrictions indicated in this order and in the preceding opinion, public convenience and necessity require the exercise by applicant of the rights, privileges, and franchises granted by Ordinance No. 222 of the County of Plumas, Ordinance No. 143 of the County of Sierra, and Ordinance No. 194 of the County of Lassen, and also require the construction and operation of a public utility electric plant in portions of said three counties, and

IT IS ORDERED as follows:

1. A certificate of public convenience and necessity is hereby granted to Plumas-Sierra Rural Electric Cooperative, a corporation, to exercise the rights and privileges granted by the above-mentioned ordinances and to construct and operate a public utility electric plant in portions of Plumas, Sierra, and Lassen counties, subject to the restrictions indicated below and in the preceding opinion, as

follows:

- (a) Within the area indicated on Exhibit 1, including the disputed area near Delleker.
- (b) Within those portions of the area depicted on Exhibit 26 and designated Sub-areas 1 and 2 in the preceding opinion. Said two sub-areas shall be competitive territory and service may be furnished therein by applicant and by California Pacific Utilities Company.
- (c) Within that portion of the area depicted on Exhibit 26 and designated Sub-area 3 in the preceding opinion.
- (d) For the construction and maintenance of such lines through the area referred to in the preceding opinion as the Johnstonville-Clinton area for the purpose of supplying electricity to the area referred to in the preceding opinion as the Leavitt-Eagle Lake area, but serving no new customers within said Johnstonville-Clinton area.
- (e) Within the area depicted on Exhibit 7, and referred to in the preceding opinion as the Leavitt-Eagle Lake area, provided, that either applicant or California Pacific Utilities Company may furnish service in those portions of such area north of the line marked "8th Standard Parallel North" on Exhibit 7 which, at the time of the making of future extensions therein, are not then receiving public utility electric service.
- (f) Within that portion of the area depicted on

Exhibits 7 and 26A and referred to in the preceding opinion as the disputed Herlong area.

(g) Within all of the area not mentioned in the preceding six sub-paragraphs, but depicted on Exhibit 7 and Exhibit A to the application herein as the area for which applicant requested a certificate.

2. Applicant is directed to prepare, with the cooperation of the other utilities involved, an "Agreed Statement of Areas for which Certificate was granted Applicant by Decision No. _____." Such agreed statement shall consist of a definitive map, together with such descriptive material as may be appropriate, shall be consistent with the opinion and order herein, and shall set forth the areas to be served by the respective utilities in the territory involved in this proceeding. Said agreed statement shall be checked as to accuracy by the other utilities involved, and thereafter filed by applicant in this proceeding. The agreed statement shall be filed on or before January 31, 1953, unless otherwise hereafter ordered.

3. Applicant is hereby authorized to carry out the terms of the various instruments attached as Exhibits N through OO attached to the application herein, provided that such authorization neither approves nor authorizes the carrying out of the terms of any provision in any of such instruments in any manner which may conflict with the regulatory jurisdiction of this Commission or the duties and obligations of a public utility under California law.

4. On or before June 30, 1953, applicant may enter into an Amendment to Amending Loan Contract in substantially the same form as Exhibit K to the application herein, may execute a supplemental mortgage of realty and chattels in substantially the same form as Exhibit J to the application herein and may issue its mortgage note,

or notes, in the aggregate principal amount of not exceeding \$255,000, in substantially the same form as Exhibit I to the application herein, provided that such authorization does not constitute approval or authorization to carry out the terms of any provision in any of such instruments in any manner which may conflict with the regulatory jurisdiction of this Commission or the duties and obligations of a public utility under California law. Applicant shall use the proceeds to be received through the issue of said note, or notes, for the purposes set forth in the application.

5. The authority hereinabove granted by ordering paragraph 4 shall become effective upon the effective date of this order. or upon the payment of the fee prescribed by Section 1904(b) of the Public Utilities Code, whichever date is later. The amount of said fee is \$255.

6. Applicant may issue membership certificates upon the payment of \$5.00 for each such membership certificate.

7. Applicant shall file with the Commission monthly reports as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

The effective date of this order shall be twenty (20) days after the date hereof.

- Dated, San Francisco, California, this 2nd day of December, 1952.

A. T. Anderson
President
Justice J. Cresswell
Harold S. Hull
Samuel H. Patten
W. E. Mitchell
Commissioners

