

**ORIGINAL**

Decision No. 49927

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
SURPRISE VALLEY ELECTRIFICATION CORPORATION	:	
for the issuance of evidences of indebtedness	)	
and a mortgage for the purpose of refunding	:	Application
outstanding unpaid evidences to the United	)	No. 35327
States of America.	:	
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OPINION AND ORDER

This is an application for an order authorizing Surprise Valley Electrification Corporation to execute a mortgage of realty and chattels and to issue notes in the aggregate amount of \$1,850,409.26 to refund outstanding indebtedness.

Applicant is a nonprofit cooperative corporation which was organized in 1937 and now is engaged in the business of serving its members with electricity in portions of the counties of Modoc and Lassen in California, and in the County of Lake in Oregon. It has financed its investment in properties with moneys borrowed from the United States of America and it reports that presently it has outstanding notes in the aggregate principal amount of \$1,850,409.26 which it issued in evidence of such borrowings prior to the time it was certificated by this Commission to operate as a public utility. (Decision No. 47987, dated December 2, 1952.)

It appears that applicant now desires to replace the presently outstanding notes and the mortgage securing their payment with new documents to be executed under Commission authorization. The application shows that the indebtedness is represented by nine

notes and that it is applicant's intention to issue nine new notes, all bearing interest at the rate of 2% per annum, with the earliest maturity being June 1, 1972, and the latest July 6, 1984. Copies of the proposed notes have been filed in this proceeding as Exhibits 1 to 9, inclusive, and a copy of the mortgage of realty and chattels securing their payment as Exhibit 10.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Surprise Valley Electrification Corporation, on and after the effective date hereof and on or before September 30, 1954, may execute a mortgage of realty and chattels, in substantially the same form as that filed in this proceeding as Exhibit 10, and may issue its promissory notes in the aggregate principal amount of not exceeding \$1,850,409.26, in substantially the same forms as the notes filed as Exhibits 1 to 9, inclusive, said notes to be delivered to refund outstanding notes of like amount.

2. Applicant shall file a statement with the Commission, on or before October 31, 1954, showing the date and amount of each note issued under the authorization herein granted.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,425.50.

Dated at San Francisco, California, this 21<sup>st</sup> day of April, 1954.

*R. J. [Signature]*  
President

*Justus J. Calmer*

*Lawrence Pottest*

*W. E. [Signature]*

*Gene [Signature]*  
Commissioners

