

**ORIGINAL**

Decision No. 51244

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the	)	
MOUNTAIN EMPIRE ELECTRIC CO-OPERATIVE, INC.	:	
for issuance of notes and a mortgage to re-	)	Application
fund outstanding obligations to the United	:	No. 36773
States of America.	)	
-----	:	

OPINION AND ORDER

This is an application for an order authorizing Mountain Empire Electric Cooperative, Inc. to execute a mortgage of realty and chattels and to issue notes in the aggregate amount of \$361,637.59 to refund outstanding indebtedness.

Applicant is a nonprofit cooperative corporation which was organized in 1938 and now is engaged in the business of serving its members with electricity in portions of San Diego County. It has financed its investment in properties with moneys borrowed from the United States of America and it reports that at August 31, 1954, it had outstanding notes aggregating \$361,637.59 in principal and interest 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. 48060, dated December 16, 1952.)

It appears that applicant now desires to replace such presently outstanding notes and the mortgages securing their payment with new documents to be executed under Commission authorization. The application shows that the present indebtedness is represented by six notes and that it is applicant's intention to issue eight new notes, all bearing interest at the rate of 2% per annum, with the earliest maturity being May 20, 1974, and the latest June 29, 1985.

A copy of each of the proposed notes has been filed in this proceeding as well as a copy of the proposed mortgage of realty and chattels securing their payment. It may be that the amount of some or all of the indebtedness will be reduced by additional payments prior to the time applicant completes its arrangements for the refunding.

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 purposes specified herein, and that such purposes, except as otherwise authorized, are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Mountain Empire Electric Cooperative, Inc., on or after the effective date hereof and on or before December 31, 1955, may execute and deliver a mortgage of realty and chattels in substantially the same form as that filed in this proceeding as Exhibit Ref M, and may issue and deliver its promissory notes in the aggregate principal amount of not exceeding \$361,637.59, in substantially the same forms as the notes filed as Exhibits DD, EE, FF, GG, HH, HH(2), II, and II(2).

2. Mountain Empire Electric Cooperative, Inc. shall issue said notes to replace or refinance outstanding indebtedness of like amount.

3. Mountain Empire Electric Cooperative, Inc. shall file with the Commission monthly reports as required by General Order

No. 24-A, which order, insofar as applicable, is made a part of this order.

4. The authority herein granted will become effective when Mountain Empire Electric Cooperative, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$362.

Dated at San Francisco, California, this 29<sup>th</sup> day of March, 1955.

*Edwin C. Mitchell*  
President  
*Justin J. Adams*  
*Paul L. ...*

Commissioners

