

Decision No. 53095

ORIGINAL

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 the
issuance of evidences of indebted-
ness and amendment to amending loan
contract to the United States of
America and to borrow from the United
States of America.

Application
No. 37949

OPINION AND ORDER

This is an application for an order authorizing Plumas-Sierra Rural Electric Co-operative to execute an amendment to its loan contract and to issue a mortgage note in the principal amount of \$195,000.

Applicant is a California non-profit membership corporation engaged in the business of serving its members with electric energy in portions of the Counties of Plumas, Lassen and Sierra, in the State of California, and a portion of the County of Washoe in the State of Nevada. For the years 1953, 1954, and 1955, it has reported operating revenues of \$159,022, \$173,713, and \$188,848, respectively. It has reported that it has invested in excess of \$1,000,000 in utility plant and that it has financed itself with borrowings under a loan contract with the United States of America acting through the Rural Electrification Administration. The borrowings are represented by 2%, 35-year mortgage notes.

In order to obtain funds to finance additional construction, applicant proposes to execute an amendment to its loan contract and to issue to the United States of America a 35-year mortgage note in

the amount of \$195,000, bearing interest at the rate of 2% per annum. The proposed construction includes 27 miles of distribution line to serve 89 consumers at an estimated cost of \$96,926, and other improvements and related expenditures of \$107,219 (of which \$9,145 is available from previous loans) as follows:

System improvements	\$ 63,100
Legal expense	350
Engineering	11,000
Equipment	2,500
Pole numbering	2,500
Reimbursement to general funds	24,103
Contingencies	<u>3,666</u>
Total	<u>\$107,219</u>

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 note herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Plumas-Sierra Rural Electric Co-operative, on and after the effective date hereof and on or before December 31, 1956, may execute an amendment to its loan contract in, or substantially in, the same form as that filed in this proceeding as Exhibit 2a, and may issue its mortgage note in the principal amount of not exceeding \$195,000 in, or substantially in, the same form as that filed in this proceeding as Exhibit 1a, for the purposes set forth in this application.

2. Plumas-Sierra Rural Electric Co-operative shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

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 \$195.

Dated at San Francisco, California, this 22nd day of May, 1956.

Peter L. Mitchell
President

Justus J. Casella
Ronald Waterman

Mark Decker
Bob Hardy
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
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MAY 22 1956
\$195.00
FILED
BY [Signature]