

Decision No. 53825

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
ANZA ELECTRIC COOPERATIVE, INC.,)	Application
)	No. 38373
for Authority to Execute Installation)	
Loan Contract and Issue Evidence of)	
Indebtedness.)	
-----)	

OPINION AND ORDER

Anza Electric Cooperative, Inc., has filed this application for authorization to execute a loan contract with United States of America, acting through the Director of Agricultural Credit Services, United States Department of Agriculture, and to issue a note in the principal amount of \$50,000 and to use the proceeds to make loans to member consumers to enable them to purchase appliances from dealers and to install electrical, plumbing and irrigation facilities. Under the terms of the loan contract the company will purchase the consumers' obligations from the dealers.

Applicant is a California nonprofit cooperative corporation engaged in the business of providing electricity to its members in a service area in Riverside County. In its 1955 annual report to the Commission it shows that it had 245 consumers at the end of the year and that its net investment in its plant amounted to \$522,052, substantially all of which was represented by an R.E.A. loan. It now asserts that some of its members are without adequate resources or borrowing capacity to obtain the necessary wiring and to purchase equipment and that it is necessary for it, in view of the limited number of subscribers, to see that each member makes full use of its electric service in order that it might amortize the cost of

construction. The application shows that funds are available to the company from the government to assist the members to obtain service.

However, under the terms of the Public Utilities Code the Commission is empowered to authorize the issue of securities for certain purposes, specifically set forth, and for no others. It does not appear that the incurring of indebtedness by a utility for the purpose of obtaining loanable funds is a purpose provided by the law and accordingly we regretfully conclude that we are without jurisdiction to approve applicant's request. Therefore,

IT IS HEREBY ORDERED that Application No. 38373 of Anza Electric Cooperative, Inc., be and it hereby is dismissed for want of jurisdiction.

Dated at San Francisco, California, this 1st day of OCTOBER, 1956.

[Signature]
President

[Signature]

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Commissioners