

ORIGINAL

Decision No. 55564

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))	Application
in the form of a mortgage note and a supple-	:	No. 39366
mental mortgage to be delivered to the)	
United States of America.	:	
-----)	

OPINION AND ORDER

Surprise Valley Electrification Corp., applicant herein, is a nonprofit cooperative corporation engaged in the business of serving its members with electricity in portions of the counties of Lassen and Modoc in California, and in the County of Lake in Oregon. It has financed itself primarily with R. E. A. funds, and in this application it reports that it has found it necessary to increase its borrowings and it seeks authorization to execute a supplemental mortgage of realty and chattels and to issue a mortgage note in the principal amount of \$696,869.

The purposes for which applicant intends to expend the \$696,869 of note proceeds, together with unexpended funds received from existing loans, are set forth in its proposed master budget, a copy of which is attached to the application as Exhibit E. Such expenditures will result in improving and enlarging its distribution and transmission systems and bringing service to additional consumers. The additional borrowing of \$696,869 will be represented by a note payable over a period of 35 years with interest at the rate of two per cent per annum.

The Commission has given consideration to this application and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of a note for \$696,869 herein authorized is reasonably required by applicant corporation for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Surprise Valley Electrification Corp. may issue a mortgage note in the principal amount of not exceeding \$696,869, may execute a supplemental mortgage of realty and chattels, and may execute an amendment to its loan contract with the United States of America for the purposes set forth in this application, such documents to be in, or substantially in, the same form as those filed in this proceeding as Exhibits A, B, and F, respectively.

2. The authorization herein granted is for the issuance of a note and the execution of certain instruments and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

3. Surprise Valley Electrification Corp. 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.

4. The authority herein granted will become effective when Surprise Valley Electrification Corp. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$697.

Dated at San Francisco, California, this 17th day of September, 1957.

[Signature]
President
[Signature]
[Signature]
[Signature]
[Signature]
Commissioners

