

ORIGINAL

Decision No. 56872

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 and execution after
issuance of evidences of indebted-
ness, amendment to amending loan
contract, and supplemental mortgage
of realty and chattels to the United
States of America and to borrow from
the United States of America.

Application No. 40148

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, to execute a supplemental mortgage of realty and chattels and to issue a mortgage note in the principal amount of not exceeding \$200,000.

Applicant is a nonprofit membership corporation organized under the laws of the State of California and is 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 in a portion of the County of Washoe in the State of Nevada. For the years 1955, 1956, and 1957, it has reported operating revenues of \$188,847.59, \$186,509.36, and \$186,662.89, respectively. For the same three years, it has reported a net income transferred to surplus of \$2,334.59 in 1955 and net losses of \$3,643.52 in 1956 and \$5,406.73 in 1957. It reports that as of April 30, 1958, it had invested \$1,675,025.42

in utility plant and that it had 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, to execute a supplemental mortgage and to issue to the United States of America a 35-year mortgage note in the principal amount of \$200,000, bearing interest at the rate of 2% per annum. The purposes for which the proceeds of the proposed loan are to be used are as follows:

Construction -		
25.5 miles of distribution line to serve 117 consumers	\$49,700.00	
1 mile new tie line	<u>2,000.00</u>	\$ 51,700.00
System improvements -		
Increase Milford substation capacity	\$44,000.00	
3 regulators for Beckwourth substa.	7,800.00	
Moving regulators to Sierraville substation	500.00	
Additional sectionalizing equipment	<u>12,550.00</u>	64,850.00
Legal expense		1,088.00
Engineering		12,938.00
Equipment		13,750.00
Reimbursement to general funds		11,389.95
Interest		12,000.00
Meters		9,000.00
Transformers		<u>31,229.00</u>
Total		<u>\$207,944.95</u>

That portion of the \$207,944.95 which is in excess of \$200,000 is available from the proceeds of prior loans.

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, 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. Plumas-Sierra Rural Electric Co-operative, on and after the effective date hereof and on or before December 31, 1958, may execute an amendment to its loan contract in, or substantially in, the same form as that on file in this proceeding as Exhibit 2, may execute a supplemental mortgage in, or substantially in, the same form as that on file in this proceeding as Exhibit 3, and may issue its mortgage note in the principal amount of not exceeding \$200,000 in, or substantially in, the same form as that on file in this proceeding as Exhibit 1, and may use the proceeds for the purposes set forth in the 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 Plumas-Sierra Rural Electric Co-operative has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$200.

Dated at San Francisco, California, this 24th day of June, 1958.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
14002
JUN 24 1958
BY