

ORIGINAL

Decision No. 60345

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ANZA ELECTRIC COOPERATIVE, INC.,
for Authority to Execute Installation
Loan Contract and Issue Evidence of
Indebtedness.

Application No. 42346

O P I N I O N

On June 13, 1960, Anza Electric Cooperative, Inc., filed the above-entitled application for authorization to enter into a loan contract, and to issue a \$50,000 note pursuant thereto for the purpose of financing the acquisition and installation of appliances and equipment as permitted by Section 817(e) of the Public Utilities Code.

Applicant is a California nonprofit cooperative corporation engaged in providing electric service to its members in and around Anza, Riverside County. It has been financing itself primarily with funds obtained through R. E. A. borrowings and now proposes to execute an installation loan contract with the United States of America, acting through the Administrator of the Rural Electrification Administration, and to issue an installation note for the purpose of financing the following:

- (a) The wiring of premises in rural areas which it either serves or expects to serve;
- (b) The acquisition of electrical pumping and plumbing appliances and equipment by its consumers for installation in such premises; and
- (c) The installation of such appliances and equipment in such premises.

The borrowing will be represented by a \$50,000 note payable five years after its date with interest at the rate of two per cent per annum, payable annually.

Under the terms of the installation loan contract, the company will purchase from dealers the consumers' obligations to pay for the equipment and services, subject to a favorable credit report in each instance. In effect, applicant will loan the note proceeds to its member consumers to enable them to make the acquisitions and installations. It is asserted that the funds to be obtained through the issuance of the note will enable applicant's members to obtain equipment which will improve and increase member consumption of electric energy.

Upon reviewing this matter, we find and conclude that the proposed note issue is for a proper purpose; that the money, property or labor to be procured or paid for by the issue of such note is reasonably required for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. Upon the basis of these findings, we will enter an order granting the application.

The authorization herein granted 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.

O R D E R

The Commission having considered the above-entitled application and being of the opinion that a public hearing is not necessary, therefore,

IT IS HEREBY ORDERED as follows:

1. Anza Electric Cooperative, Inc., may execute an installation loan contract with the United States of America, acting through the Administrator of the Rural Electrification Administration, and may issue its installation note in the principal amount of not to exceed \$50,000, as defined in said contract in order to provide capital with which to make loans to member consumers for the financing of the acquisition and installation of electrical and plumbing appliances and agricultural equipment, which are sold by others than a public utility, for use within applicant's service area, said contract and note to be in, or substantially in, the same form as those filed in this proceeding.

2. Anza Electric Cooperative, Inc., 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. This order shall become effective when Anza Electric Cooperative, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$50.

Dated at San Francisco, California, this
5th day of July, 1960.

Ernest A. [Signature]
President
[Signature]
[Signature]
[Signature]
Theodore [Signature]
Commissioners

