

ORIGINAL

Decision No. 61466

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
MOUNTAIN EMPIRE ELECTRIC COOPERATIVE,
INC., a Corporation, for Authority to
Borrow Money and Secure Its Repayment
by Mortgage.

Application No. 43062
Filed January 11, 1961

OPINION AND ORDER

Mountain Empire Electric Cooperative, Inc., applicant herein, is a nonprofit cooperative operating in San Diego County. 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 R.E.A. borrowings and it seeks authorization to execute an amendment to its loan contract with the United States of America and to issue a mortgage note in the principal amount of \$72,000.

The application shows that as of November 30, 1960, applicant's net investment in utility plant aggregated \$754,521 and its outstanding R.E.A. notes, \$715,094. Applicant asserts that now it is necessary for it to expand its plant in order to make provision to serve an additional 100 consumers; that it estimates the total cost of such expansion at \$138,898; and that it has \$66,898 of available funds from existing loans, leaving a balance of \$72,000 to be provided from additional financing. It proposes to obtain the additional financing by an amendment to its present loan contract with the United States

of America whereby the \$72,000 would be advanced to it on the same basis as the existing borrowings and will be represented by a promissory note payable over a period of 35 years with interest at the rate of 2% 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 \$72,000 herein authorized is reasonably required by applicant for the purposes specified herein; 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. Mountain Empire Electric Cooperative, Inc., may execute an amendment to its loan contract with the United States of America and may issue a mortgage note in the principal amount of \$72,000 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.

2. The authorization herein granted is for the issue of a note and is not to be construed as indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.

3. Mountain Empire 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.

4. The authority herein granted will become effective when Mountain Empire Electric Cooperative, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$72.

Dated at San Francisco, California,
this 14th day of February, 1961.

[Signature]
President

[Signature]

[Signature]

George L. Grover

Fredrick B. Holshoff
Commissioners

