

Decision No. 61839

ORIGINAL

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 in the)
form of a mortgage note and an)
Amendment to Amending Loan Contract)
to be delivered to the United States)
of America.)

Application No. 43262
Filed March 27, 1961

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, amounting to \$2,144,930 as of December 31, 1960, 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 \$375,000.

The purposes for which applicant intends to expend the \$375,000 of note proceeds are set forth in its budget dated March 14, 1961, a copy of which is attached to the application as Exhibit D. Such expenditures will result in improving and enlarging the distribution and transmission systems and in bringing service to additional consumers. The additional borrowing of \$375,000 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, and so finds and concludes, 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 \$375,000 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 ORDERED that -

1. Surprise Valley Electrification Corp., may issue a mortgage note in the principal amount of not to exceed \$375,000, 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 and B, respectively.

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. 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. This order shall become effective when Surprise Valley Electrification Corp., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$375.

Dated at San Francisco, California,
this 18th day of April, 1961.

Ernest R. [Signature]
President

George F. Hoover

Commissioners

