

ORIGINAL

Decision No. 61904

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Application No. 43302

O P I N I O N

On April 12, 1961, White Mountain Power Cooperative, Inc., filed the above-entitled application for authorization (1) to execute an amendment to its installation loan contract, and (2) to issue a \$25,000 note 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 nonprofit cooperative corporation organized under the laws of the State of Nevada and qualified to do business in California. Its principal operation is in Nevada but it also provides electric service to its members in portions of the counties of Inyo and Mono in California. The company has been financing itself primarily with funds obtained through R.E.A. borrowings and now proposes to execute an amendment to its 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 \$25,000 note payable five years after its date with interest at the rate of two per cent per annum, payable annually.

The application shows that the funds to be obtained through the issuance of the note will enable applicant to make loans to its member consumers for the purpose of acquisition and installation of electrical and plumbing and agricultural equipment from others for use in its service area, which will necessarily improve or increase member consumption or potential consumption to its benefit in the form of increased energy sales.

Upon reviewing this matter we are of the opinion and 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 matter and being of the opinion that a public hearing is not necessary,

IT IS ORDERED that -

1. White Mountain Power Cooperative, Inc., may execute an amendment to its 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 \$25,000 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 the copies of the proposed contract amendment and note filed in this proceeding.

2. White Mountain Power 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 White Mountain Power Cooperative, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 1st day of May, 1961.

Greenwell Page
President
John E. Mitchell
E. L. Fox
George B. Crover
Frederick B. Holbrook
Commissioners

