

ORIGINAL

Decision No. 69610

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
DESERT ELECTRIC COOPERATIVE, INC.)
A California Corporation)
))
for Authority to Execute Amending)
Loan Contract, between the United)
States of America and the Desert)
Electric Cooperative, Inc., a)
Mortgage Note and Mortgage of)
Realty and Chattels by the)
Desert Electric Cooperative, Inc.,)
in favor of the United States of)
America.)

Application No. 42081
Petition for Modification
Filed August 13, 1965

FIRST SUPPLEMENTAL OPINION AND ORDER

In the Petition for Modification filed in this proceeding, Desert Electric Cooperative, Inc. requests an order of the Commission authorizing it to execute a new Agreement with the United States of America, acting through the Administrator of the Rural Electrification Administration, which will modify the Agreement and the \$602,000 mortgage note previously authorized by Decision No. 59941, dated April 19, 1960. Applicant reports that as of March 23, 1965, an amount of \$514,754.72 has been advanced to it under said note, leaving an unadvanced balance of \$87,245.28.

The new Agreement would extend the dates for repayment of said \$87,245.28 of note proceeds and provide that, for a period of three years after the date of said Agreement, interest only

shall be payable quarterly and that thereafter, until thirty-five years after said date, the corporation shall make quarterly payments on principal and interest at the rate of \$10.60 per \$1,000 borrowed. A copy of said Agreement, attached to the petition as Exhibit A, is identified by applicant as the form of document presented to and approved by its directors at a meeting held April 30, 1965.

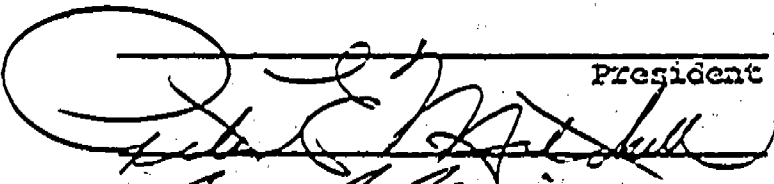

According to the petition, the utility will expend the note proceeds to finance the cost of distribution line construction as originally contemplated in the application.

The Commission has considered the Petition for Modification filed in this proceeding and finds that the proposed new Agreement would not be adverse to the public interest. On the basis of this finding we conclude that the Petition for Modification should be granted. A public hearing is not necessary.

IT IS ORDERED that Desert Electric Cooperative, Inc. may execute an Agreement with the United States of America in the same form, or in substantially the same form, as that attached to the Petition for Modification filed in this proceeding.

The effective date of this First Supplemental Opinion and Order is the date hereof.

Dated at San Francisco, California, this 3rd day of AUGUST, 1965.

 President
George W. Crowe
Avigator
 Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.