

ORIGINAL

Decision No. 70013

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of PLUMAS-SIERRA RURAL ELECTRIC)
CO-OPERATIVE, a corporation, for)
an Order authorizing said)
corporation to incur additional)
indebtedness, and to amend the)
terms of indebtedness heretofore)
authorized but not yet incurred.)

Application No. 48038
Filed November 27, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Plumas-Sierra Rural Electric Co-operative: (1) to execute and deliver (a) an Amendment to its Amending Loan Contract with the United States of America acting through the Rural Electrification Administration, (b) a Supplemental Mortgage and Financing Statement, and (c) an Agreement modifying repayment terms of a previously authorized indebtedness; and (2) to issue and deliver a \$351,000 note.

Applicant is a California corporation engaged in the business of furnishing electric service in portions of the Counties of Lassen, Plumas and Sierra in the State of California and a portion of the County of Washoe in the State of Nevada. Heretofore, the Commission has authorized the company to engage in Rural Electrification Administration financing represented by notes aggregating \$2,811,979.59. In this proceeding applicant proposes to borrow an additional \$351,000 through like Rural Electrification Administration financing for improving and extending its facilities.

Applicant further proposes to enter into an Agreement, dated as of October 20, 1965, which will amend the repayment terms of the \$291,000 indebtedness authorized by Decision No. 64283, dated September 25, 1962, in Application No. 44708. Applicant reports that, as of October 22, 1965, none of said \$291,000 had yet been advanced. Said Agreement will extend the maturity date for final repayment of all moneys under said Mortgage Note to October 20, 2000. It will provide that, for a period of three years after its date, interest only shall be payable quarterly, and 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.

An additional \$351,000 advance will be represented by a conventional two percent 35-year Rural Electrification Administration Mortgage Note. The indebtedness to be evidenced by said note will be secured by a Mortgage, dated as of February 8, 1954, as previously supplemented and to be supplemented.

Upon consideration of this matter we find that:

(1) the proposed note is for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed Amendment to Amending Loan Contract, Supplemental Mortgage and Financing Statement, and Agreement will not be adverse to the public interest. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The authorization herein given is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Plumas-Sierra Rural Electric Co-operative may execute and deliver an Amendment to Amending Loan Contract and a Supplemental Mortgage and Financing Statement under Uniform Commercial Code of California and, for the purpose specified in this proceeding, may issue and deliver a Mortgage Note in the principal amount of not to exceed \$351,000, said documents to be in the same form, or in substantially the same form, as those filed in this proceeding.

2. Plumas-Sierra Rural Electric Co-operative may execute and deliver an Agreement, dated as of October 20, 1965, in the same form, or in substantially the same form, as that attached to the application.

3. Plumas-Sierra Rural Electric Co-operative shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

4. This order shall become effective when Plumas-Sierra Rural Electric Co-operative has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$351.

Dated at San Francisco, California, this 30th day of NOVEMBER, 1965.

Frederick B. Holdhoff
 President

John E. Mitchell

George A. Driver

William L. Binnard

Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.

