

ORIGINAL

Decision No. 74731

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of MOUNTAIN EMPIRE ELECTRIC)	
COOPERATIVE, INC. a Corporation,)	Application No. 50520
for Authority to Borrow Money)	Filed September 3, 1968
and Secure Its Repayment by)	
Mortgage.)	
_____)	

O P I N I O N

This is an application for an order of the Commission authorizing Mountain Empire Electric Cooperative, Inc. (a) to execute an Amendment to its Amending Loan Contract with the United States of America, acting through the Administrator of the Rural Electrification Administration, (b) to execute a Supplemental Mortgage and Financing Statement, and (c) to issue a Mortgage Note in the principal amount of \$141,000.

Applicant, a California corporation, is a nonprofit cooperative engaged in the business of furnishing electric service in portions of southeastern San Diego County. The utility reports an unpaid balance of \$796,830 outstanding as of June 30, 1968, in connection with previously authorized long-term notes issued through the Rural Electrification Administration.

In the present proceeding applicant proposes to borrow an additional \$141,000 through the Rural Electrification Administration for the purpose of meeting capital expenditures pertaining to distribution and transmission facilities as summarized in Exhibit B attached to the application. The borrowing will follow the usual terms for loans made through the Rural Electrification Administration, and will be evidenced by a 35-year note bearing interest at the rate of 2% per annum. Said note will be secured by an existing mortgage as amended or supplemented.

The Commission has considered this matter and finds 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 documents 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 granted 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. Mountain Empire Electric Cooperative, Inc. may execute and deliver (a) an Amendment to its Amending Loan Contract with the United States of America, acting through the Administrator of the Rural Electrification Administration, and (b) a Supplemental Mortgage and Financing Statement. The documents shall be in the same form, or in substantially the same form, as those attached to the application as Exhibits C and E, respectively.

2. Mountain Empire Electric Cooperative, Inc., for the purpose specified in this proceeding, may issue a Mortgage Note in the principal amount of not exceeding \$141,000, which note shall be in the same form, or in substantially the same form, as Exhibit D attached to the application.

3. Mountain Empire Electric Cooperative, Inc. 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 Mountain Empire Electric Cooperative, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$141.

Dated at San Francisco, California, this 1st day of OCTOBER, 1968.

William Lyons, Jr.
President

William W. Bennett

Augusta

Fred P. Mommsey
Commissioners

