

**ORIGINAL**Decision No. 80731

## 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.

Application No. 53655  
 (Filed October 20, 1972)

O P I N I O N

Plumas-Sierra Rural Electric Co-operative seeks authority (1) to issue its Rural Electrification Administration Mortgage Note in the principal amount of \$323,000, (2) to issue its National Rural Utilities Cooperative Finance Corporation Secured Promissory Note in the principal amount of \$36,000, and (3) to execute and deliver an Amendment to Amending Loan Contract, a Supplemental Mortgage and Security Agreement, and a Loan Agreement.

Applicant is a California corporation engaged in the business of providing electric service to its members in portions of the Counties of Plumas, Lassen and Sierra in the State of California and a portion of the County of Washoe in the State of Nevada. The utility reports an outstanding balance of \$2,356,788 representing long-term Rural Electrification Administration indebtedness as of July 31, 1972.

The company proposes to improve its system by making additional capital expenditures in the amount of \$357,200, segregated between distribution facilities, transmission facilities, radio equipment and billing equipment in respective amounts of \$182,660, \$144,540, \$12,600 and \$17,400. In order

to provide funds for such capital expenditures, and to provide \$1,800 for the required purchase of Capital Term Certificates of National Rural Utilities Cooperative Finance Corporation, applicant proposes to borrow \$323,000 from the Rural Electrification Administration pursuant to the terms of an Amending Loan Contract as amended, and \$36,000 from National Rural Utilities Cooperative Finance Corporation pursuant to a proposed Loan Agreement.

The new borrowings would be evidenced by 35-year notes, of which the Rural Electrification Administration note would bear interest at the rate of 2% per annum and the National Rural Utilities Cooperative Finance Corporation note would bear interest at the rate of 7-1/2% per annum. The notes would be secured by existing mortgages, as supplemented, and by a proposed Supplemental Mortgage and Security Agreement.

After consideration the Commission finds that:

1. The proposed notes are for proper purposes.
2. The proposed documents would not be adverse to the public interest.
3. The money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. 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. Plumas-Sierra Rural Electric Co-operative may execute and deliver an Amendment to Amending Loan Contract with the United States of America, acting through the Administrator of the Rural Electrification Administration, and a Loan Agreement with National Rural Utilities Cooperative Finance Corporation. The documents shall be in substantially the same forms as Exhibits D and H attached to the application.

2. Plumas-Sierra Rural Electric Co-operative may execute and deliver a Supplemental Mortgage and Security Agreement in substantially the same form as Exhibit E attached to the application.

3. Plumas-Sierra Rural Electric Co-operative, for the purposes specified in the application, may issue notes in the principal amounts of not exceeding \$323,000 and \$36,000, which notes shall be in substantially the same forms as Exhibits C and G attached to the application.

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

5. 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 \$718.

Dated at San Francisco, California, this  
14th day of NOVEMBER, 1972.

Veronica L. Shugart  
President  
William J. ...  
...  
...  
Commissioners

