BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF WARM SPRINGS MESA, INC. TO ISSUE SECURITIES. | )  )  )  ) | CASE NO. WSM-W-95-4  ORDER NO.  26154 |

On  July 27, 1994, Warm Springs Mesa, Inc. (Warm Springs) filed an Application for authority to borrow funds and issue security instruments in aggregate principal amount not to exceed $290,500.  The $290,500 is a secured loan with CoBank, Inglewood, Colorado to refinance existing construction loans and other loans for the water system.

FINDINGS OF FACT

The Commission having fully considered the Application and attached exhibits now makes the following findings of fact.  This Commission has jurisdiction over the matter pursuant to Title 61 of the Idaho Code Chapters 1 and 9.

Warm Springs is incorporated in the state of Idaho.

Warm Springs seeks authority to borrow funds and issue security instruments in an aggregate principal amount not to exceed $290,500 in debt securities.  The loan with CoBank will be secured by the assets of Warm Springs Mesa, Inc.  The loan will be repaid in monthly installments over a 20-year period.  The interest rate will be established as of the date of closing and fund advancement at a fixed rate equal to 3.0% per annum above the established U.S. Treasury rate.  The terms and covenants of the loan are summarized in the attached letter of commitment, Appendix A.

The net proceeds of the borrowing to be received by Warm Springs will be used to refinance existing loans incurred for the purpose of making system capital improvements and other purposes permitted under Idaho Code § 61-902.

CONCLUSIONS OF LAW

Warm Springs is incorporated in the state of Idaho.

The Idaho Public Utilities Commission has jurisdiction over Warm Springs and its Application by virtue of Title 61, Idaho Code and the Rules of Procedure of the Idaho Public Utilities Commission, IDAPA 31.01.01.

The proposed issuance and sales of securities is for a lawful purpose and within Warm Springs’ corporate powers.

The proposed transaction is in the public interest and a formal hearing on this matter would serve no public purpose.

All fees have been paid by Applicant in accordance with Idaho Code § 61-905.

O R D E R

IT IS THEREFORE ORDERED that the Application of Warm Springs Mesa, Inc. to borrow funds and issue security instruments in the aggregate amounts not to exceed  $290,500 in the form of a secured loan with CoBank, Inglewood, Colorado for the purposes set forth in the Application is hereby granted.

IT IS FURTHER ORDERED that nothing in this Order shall be construed to obligate the state of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provision of this Order.

IT IS FURTHER ORDERED that the issuance of this Order by the Commission authorizing the here above described securities transaction is a securities authorization only and does not constitute the Commission’s determination of any utility ratemaking issue whatsoever which issues are expressly held for decision until they are presented regularly to the Commission in appropriate proceedings.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of  September 1995.

RALPH NELSON, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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