

Decision No. 42076

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

RIVERSIDE ELEVATORS, a  
California Corporation

Application  
No. 29678

for an order authorizing the issuance  
of notes for the construction of an  
extension and improvement of its  
facilities.

O P I N I O N

In this application, Riverside Elevators has applied to the Commission for an order authorizing it to issue two notes, one for \$15,000 and one for \$5,000, to finance in part the cost of an extension and improvement of its facilities.

Riverside Elevators is a corporation organized on or about March 20, 1945 and now engaged, among other things, in the warehouse business at Isleton. In financial statements filed with the Commission it has reported its revenues from its public utility service at \$9,053 for the year ending May 31, 1946; at \$38,786 for the year ending May 30, 1947; and at \$57,418 for the year ending May 31, 1948. It has reported its net revenues from its non-utility operations at \$8,057 for the year ending May 31, 1946; at \$28,616 for the year ending May 31, 1947; and at \$19,730 for the year ending May 31, 1948. It reported a loss of \$13,504 during the first of the three periods and profits of \$7,440 and \$14,239 during the succeeding two periods. Its assets and liabilities as of July 31, 1948 are reported in the application as follows:

<u>Assets</u>		
Current assets-		
Cash	\$ 11,890.32	
Accounts receivable	35,656.58	
Inventories	<u>11,398.59</u>	
Total current assets		\$ 58,945.49
Fixed assets-		
Land	4,200.00	
Buildings and improvements	209,169.09	
Machinery and equipment	<u>81,710.69</u>	
	295,079.78	
Less- Depreciation reserve	<u>35,686.78</u>	
Total fixed assets		259,393.00
Deferred charges		10,343.70
Organization expense		<u>14,261.17</u>
Total		<u>\$342,943.36</u>

<u>Liabilities</u>		
Current liabilities-		
Accounts payable	\$ 11,873.64	
Notes payable due Capital National Bank	20,000.00	
Accrued taxes	<u>1,167.11</u>	
Total current liabilities		\$ 33,040.75
Bank loans due Capital National Bank		130,000.00
Other long-term debt		128,340.00
Capital stock		24,000.00
Surplus		<u>27,562.61</u>
Total		<u>\$342,943.36</u>

Applicant's property and facilities include a reinforced concrete storage building, drier tower, fan rooms, delivery and discharge enclosures, scale house, truck scale pit, drying, cleaning, cooling and other machinery and equipment, and the land upon which they are situated. Under authority granted by Decision No. 39721, dated December 16, 1946, it executed a deed of trust and a mortgage of chattels, both dated December 18, 1946, and issued two notes in the aggregate amount of \$150,000 (since reduced to \$140,000) for the purpose of financing in part the cost of the properties.

Applicant now desires to construct an extension and improvement consisting of a corrugated iron building 60 x 120 feet in dimensions, together with macadam flooring and conveyor

and other machinery and equipment, the total cost of which is estimated at approximately \$27,000.

The company proposes to borrow \$20,000 from The Capital National Bank of Sacramento, to finance in part the estimated cost; and to pay the remainder of such cost with moneys now in its treasury. The sum to be thus borrowed will be represented by two notes, one for \$15,000, payable in annual installments of \$3,000 or more commencing on June 1, 1949, and the other for \$5,000, payable in annual installments of \$1,000 or more commencing on June 1, 1949, both bearing interest at the rate of 4-1/4% per annum. The \$15,000 note will be secured by the deed of trust and the \$5,000 note will be secured by the mortgage of chattels heretofore executed under the authority granted by said Decision No. 39721.

The extension and improvement will increase applicant's storage capacity by approximately 2,300 tons. Applicant reports that its present facilities are insufficient to accomodate the normal demand for storage space and that a shortage of storage space results when commodities remain on storage after the end of the normal shipping season and the following crop commences to move into storage. It alleges that during the current season market conditions are such that grain is moving slowly so that the demand for storage space this year is unusually heavy. The proposed extension and improvement will relieve a shortage of storage space which otherwise would result.

O R D E R

The Public Utilities Commission having considered the above entitled matter and it being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of notes in the aggregate face amount of \$20,000 is reasonably required by Riverside Elevators for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Riverside Elevators, after the effective date hereof and on or before November 30, 1948, may issue two notes, one in the principal amount of \$15,000 and the other in the principal amount of \$5,000, said notes to be in, or substantially in, the same form as the notes filed in this proceeding as Exhibit 1 and Exhibit 2 respectively, and use the proceeds to finance in part the cost of the extension and improvement referred to herein.

2. Riverside Elevators shall file with the Commission a report, or reports, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when Riverside Elevators has paid the minimum fee prescribed in Section 57 of the Public Utilities Act, which fee is \$25.00.

Dated at San Francisco, California, this 28<sup>th</sup> day  
of September 1948.

R. E. Johnson  
Justin F. Calver  
Walter Powell  
Harold P. Kato  
Bennett Potter

Commissioners

