

ORIGINAL

Decision No. 42820

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
Sacramento River Warehouse Company
a corporation, for an order authorizing
construction of additional warehouse
facilities and the borrowing of money
for payment of same.

Application
No. 30264

O P I N I O N

This is an application by Sacramento River Warehouse Company for an order of the Public Utilities Commission authorizing it to issue a promissory note in the principal amount of \$80,000 to finance in part the cost of additional facilities, and to execute a deed of trust to secure the payment of said note.

Sacramento River Warehouse Company is a corporation organized on or about October 6, 1916, under the laws of the State of California. It is now, and for many years has been, engaged in operating public utility warehouses in Colusa, Grimes and Miller's Landing, primarily for the storage of grain and rice, and in certain non-utility operations. For the calendar year 1948 it has reported warehouse revenues of \$124,852, and non-utility revenues of \$104,427, a total of \$229,279. In 1947 it reported warehouse revenues of \$87,987, and non-utility revenues of \$69,119, a total of \$157,106. After payment of operating expenses, taxes, depreciation and rents, it reported net income for 1948 of \$18,362, and for 1947 of \$25,006.

Applicant's annual reports show that it is operating nine warehouse buildings, of which two are leased, with an aggregate capacity of 50,534 tons. It reports, in the present application,

that in order to render better service to its customers it has found it necessary to construct additional facilities for the bulk storage of grain, rice, and beans, and it therefore is engaged in erecting a concrete elevator having an estimated capacity of 4,500 tons, and a flat warehouse, 100 feet by 150 feet in area, which will hold approximately 3,000 tons of sacked grain, together with grain and bean cleaning machinery. It estimates the facilities will be completed by June 15, 1949.

The estimated cost of the new facilities is \$130,000. It is reported that this amount will be financed with funds now on hand in the amount of \$25,000, with \$25,000 to be borrowed from the Anglo California National Bank on a six months note, and with \$80,000 to be borrowed from private individuals who are among applicant's customers. The \$80,000 to be thus borrowed will be represented by a note payable in annual installments of \$8,000 or more, plus interest at the rate of 5% per annum. Its payment will be secured by a deed of trust.

A copy of the proposed note is on file in this proceeding as Exhibit "A", and a copy of the proposed deed of trust as Exhibit "B".

O R D E R

The Public Utilities Commission having considered the above entitled matter and 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 a note for \$80,000 is reasonably required by Sacramento River Warehouse Company 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. Sacramento River Warehouse Company, after the effective

date hereof and on or before July 31, 1949, may issue a note in the principal amount of \$80,000 for the purpose of financing in part the cost of the warehouse facilities to which reference is made in the preceding opinion, and may execute a deed of trust, said note and said deed of trust to be in, or substantially in, the same form as those filed in this proceeding as Exhibit "A" and Exhibit "B" respectively.

2. Within thirty (30) days after the issue of the note and the execution of the deed of trust herein authorized, Sacramento River Warehouse Company shall file with the Commission a copy of each as actually executed.

3. The authority herein granted will become effective when Sacramento River Warehouse Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$80.

Dated at San Francisco, California, this 3rd day of May, 1949.

R. T. Dunning
Justice F. Garner
Harold P. Hale
Samuel H. Little
Commissioners

