

**ORIGINAL**Decision No. 43088

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of )  
 Central Valley Warehouse & Milling )  
 Co., a corporation, for an order ) Application  
 authorizing permission to execute a ) No. 30413  
 note and chattel mortgage for the )  
 borrowing of money. )  
 ----- )

OPINION AND ORDER

This is an application for an order of the Public Utilities Commission authorizing Central Valley Warehouse & Milling Co. to issue a note in the principal amount of \$42,000 and to execute a mortgage of chattels.

Applicant is engaged in operating a public warehouse business in Corcoran and certain nonutility business. For the year 1948 it reported revenues from warehouse operations at \$14,443.41 and from other operations at \$60,035.90, a total of \$74,479.31, with net profits of \$11,572.35. It reports its assets and liabilities, as of December 31, 1948, as follows:

Assets

Current assets-		
Cash	\$ 6,950.71	
Accounts receivable	127,695.51	
Inventory	<u>7,161.00</u>	\$141,807.22
Plant and equipment-less depreciation		92,085.77
reserve of \$52,545.89		1,000.00
Other investments		<u>4,344.71</u>
Deferred charges		
		<u>\$239,237.70</u>
Total assets		

Liabilities

Current liabilities	\$ 16,991.15
Long-term indebtedness	36,000.00
Capital and surplus	<u>186,246.55</u>
Total liabilities	<u>\$239,237.70</u>

Applicant's 1948 annual report shows that its facilities include a unit providing bulk tank storage of 2,750 tons, and a sheet iron building for sack storage containing 22,400 square feet of floor space, together with elevators, scales, trucks and piling machines. It reports that in order to improve and extend its service to handle the 1949 grain crop, it will be called upon to expend at least \$13,500 to construct a new receiving pit, to improve its conveyor system and to enlarge and surface its yards.

Applicant proposes to borrow \$42,000 from Bank of America National Trust and Savings Association, Hanford Branch, to pay for such improvements and to discharge the balance due the Bank on a presently outstanding note. The \$42,000 loan will be evidenced by a note payable in semi-annual installments of \$6,000, with interest at the rate of 5% per annum. The payment of the note will be secured by a mortgage of chattels covering applicant's machinery, equipment and other personal property.

The Commission has considered this matter and is of the opinion that a public hearing thereon 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 the note for \$42,000 is reasonably required by applicant for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Central Valley Warehouse & Milling Co., after the effective date hereof and on or before August 31, 1949, may issue a note in the principal amount of \$42,000, and may execute a mortgage of chattels to secure the payment of said note, for the purpose of financing the cost of the improvements referred to herein and of paying the balance due on a presently outstanding note, said note and said mortgage of chattels to be in, or substantially in, the same form as those filed in this proceeding.

2. Central Valley Warehouse & Milling Co. shall file with the Commission a report 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 Central Valley Warehouse & Milling Co. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is forty-two (\$42.00) dollars.

Dated at San Francisco, California, this 6<sup>th</sup> day of July, 1949.

*A. J. Anderson*  
*Frank F. ...*  
*Harold P. ...*  
*Francis H. ...*  
Commissioners

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
R 11456  
JUL 6 1949  
\$42.00  
By *W. A. ...*