

ORIGINAL

Decision No. 43670

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ISLAND ELEVATORS, a)
California Corporation,)
for an order authorizing the issuance)
of evidence of indebtedness.)
-----)

Application
No. 30426
(First Supplemental)

FIRST SUPPLEMENTAL OPINION

By Decision No. 43086, dated July 6, 1949, in the above entitled matter, the Commission authorized Island Elevators to execute loan agreements in evidence of sums in the aggregate amount of \$55,000 to be borrowed from growers for the purpose of financing the cost of constructing and equipping warehouse facilities. Under the terms of the order, the time within which applicant could execute such loan agreements expired on October 31, 1949.

In its first supplemental application filed in this proceeding on December 19, 1949, applicant reports that under the authority granted by Decision No. 43086 it had executed loan agreements in the amount of \$33,187.50 up to October 31, 1949, leaving an unborrowed balance of \$21,812.50 for which it had been unable to make arrangements up to that time. It asks the Commission to amend its former decision so as to extend the time within which it might execute agreements up to February 28, 1950.

The terms of the original loan agreements provided that within 90 days following the close of the fiscal year ending May 31, 1950, applicant would pay to each lender that proportion of its net

storage revenue from the storage of grain in its new facilities during said fiscal year which the amount of his loan bears to the total cost of constructing and equipping the warehouse, and annually thereafter a like proportion of said net storage revenue during each succeeding fiscal year until the amount of the loan is paid in full.

Applicant now reports that it proposes to pay from its own funds approximately \$8,000 of the estimated construction costs of \$55,000. It does not intend to reimburse itself from the net storage revenue until after the loans from growers have been repaid. Accordingly, it asks permission to amend the terms of the loan agreements so as to provide that it will pay to each lender that proportion of the net storage revenue which the amount of his loan bears to the aggregate amount borrowed under all loan agreements, rather than the proportion that each loan bears to the total cost of the facilities. A form of letter-agreement modifying the loan agreements has been filed with the first supplemental application.

FIRST SUPPLEMENTAL ORDER

The Commission having considered the first supplemental application filed in this proceeding and being of the opinion that a public hearing thereon is not necessary, and that the request of Island Elevators should be granted as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Island Elevators, after the effective date hereof and on or before February 28, 1950, may execute loan agreements and amendments to loan agreements in substantially the same form as those filed in this proceeding in evidence of sums aggregating

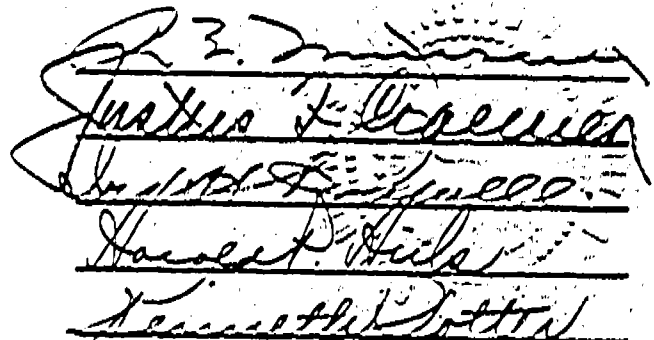
\$21,812.50 heretofore authorized by Decision No. 43086, dated July 6, 1949, but at present unborrowed.

2. Island Elevators may execute amendments, in the form filed with the first supplemental application, to the loan agreements heretofore executed under authority granted by said Decision No. 43086 and now outstanding.

3. The order in Decision No. 43086, dated July 6, 1949, shall remain in full force and effect except as modified by this first supplemental order.

4. The authority herein granted is effective upon the date hereof.

Dated at San Francisco, California, this 4th day of January, 1950.


Commissioners