

Decision No. 44192

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PARR-RICHMOND TERMINAL COMPANY,)
 a corporation,)
 For an Order Authorizing Issuance of)
 Its Note and Deed of Trust as Security)
 Therefor in Favor of American National)
 Insurance Company.)
 -----)

Application
No. 31386

ORIGINAL

O P I N I O N

This is an application for an order authorizing Parr-Richmond Terminal Company to execute a deed of trust and to issue a promissory note in the principal amount of \$240,000.

Applicant is engaged in business as a public wharfinger at Richmond. It reports that it owns a leasehold interest in certain properties and is the fee owner of other properties situated at the harbor of Richmond, consisting of certain terminal facilities used in the conduct of its business. In addition, it is the owner of all the outstanding stock of Parr-Richmond Industrial Corporation, a corporation engaged in the development of properties served by applicant by locating new plants and factories at Richmond.

By Decision No. 41131, dated January 19, 1948, as amended, the Commission authorized applicant to execute a deed of trust and to issue a note to American National Insurance Company in the principal amount of not exceeding \$227,200 for the purpose of refunding outstanding indebtedness which had been incurred in financing the cost of certain parcels of land. Thereafter, applicant transferred to its subsidiary, Parr-Richmond Industrial Corporation, certain lands not

used in its public wharfing operations under an arrangement whereby its subsidiary assumed the payment of the \$227,200 note, or the unpaid balance thereof, and other indebtedness. The principal amount of said note has been reduced to \$140,212.18 as of March 21, 1950. The properties covered by the deed of trust securing the payment of said note include both the utility and nonutility properties owned by applicant at the time of its execution.

Applicant reports that it and its subsidiary now require funds to pay indebtedness and to finance the repair, replacement and improvement of certain of the terminal facilities, the relocation of trackage in order to handle large volumes of bulk commodities, and the purchase of certain equipment used in handling bulk cargo. Arrangements have been made, accordingly, to borrow the sum of \$240,000 from American National Insurance Company to liquidate presently outstanding indebtedness and to finance the cost of the reported additions and improvements. Specifically, the proceeds will be applied as follows:

1. To pay present indebtedness in favor of American National Insurance Company not exceeding	\$140,212.18
2. To pay American Trust Company for moneys borrowed on short-term unsecured notes to pay for properties and to provide operating costs	50,000.00
3. For additions and improvements to facilities	<u>50,000.00</u>
Total	<u>\$240,212.18</u>

It is reported that the additions and improvements include, among other things, the replacing of practically all the piling along the face of the dock at Terminal No. 3, at a cost of approximately \$25,000. The relocation of trackage is required in order to make possible the handling of large volumes of bulk

commodities such as chrome ore, coke and sulphur, and will permit both the Southern Pacific Company and The Atchison, Topeka and Santa Fe Railway Company to serve the property, the estimated cost being approximately \$15,000. The cost of the additional equipment necessary to permit bulk handling of commodities is estimated at \$10,000.

The sum thus to be borrowed will be represented by a note in the principal amount of \$240,000, payable in 144 equal monthly installments of \$2,162.40 each, with interest at the rate of 5% per annum. The payment of said note will be secured by a deed of trust covering applicant's real property, and the real property of its subsidiary company, and by an assignment of rentals accruing under certain leases heretofore given by applicant or its predecessor. The note and the deed of trust will be signed by both companies.

It appears that applicant has need for additional funds through the issue of the proposed note for the purposes indicated. An order granting the application accordingly will be entered.

O R D E R

The Commission having considered the above entitled matter and being 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 herein authorized 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:

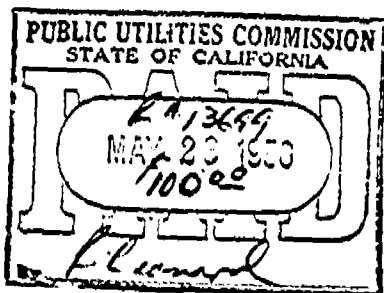
1. Parr-Richmond Terminal Company, after the effective date hereof and on or before September 30, 1950, may issue a promissory note in the principal amount of not exceeding \$240,000, with interest at the rate of 5% per annum, principal and interest being payable in 144 equal monthly installments, and may execute a deed of trust and assign as further security, rentals accruing under certain leases referred to in this proceeding, such note and deed of trust to be in, or substantially in, the same form as those filed in this proceeding.

2. Parr-Richmond Terminal Company shall use the proceeds to be received through the issue of the note herein authorized for the purposes referred to in the preceding opinion.

3. Parr-Richmond Terminal Company shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. The authority herein granted will become effective when Parr-Richmond Terminal Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is one hundred (\$100.00) dollars.

Dated at San Francisco, California, this 23rd day of May, 1950.



R. J. [Signature]
Justus J. Collier
Walter J. [Signature]
Harold [Signature]

Commissioners

Commissioner Kenneth Potter, being necessarily absent, did not participate in the disposition of this proceeding.