

ORIGINAL

Decision No. 44788

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
Howard T. Johnston, an individual )  
doing business as California Seed )  
& Fertilizer Company, for order )  
authorizing issuance of a promissory )  
note, chattel mortgage, and deed of )  
trust as security, under Section )  
51(b) and Section 52(b) paragraph (1) )  
Public Utilities Act. )  
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Application  
No. 31729

O P I N I O N

Howard T. Johnston, doing business as California Seed & Fertilizer Company, is engaged in the business of receiving and storing grain and in the milling and processing of seed and other crops in Yuba City, California.<sup>(1)</sup> In this application, he requests authority to execute a deed of trust and a mortgage of chattels, and to issue a note in the principal amount of \$50,000 for the purpose of paying indebtedness and of financing the cost of properties.

Applicant's properties include certain real property and warehouse buildings located thereon, together with ramps, elevators and loading facilities, and scales, machinery and equipment used in his warehousing and milling operations. As of June 30, 1950, according to Exhibit D filed in this proceeding, he reports his investment in his assets and his liabilities and net worth, as follows:

(1) Applicant's tariff naming rates for public utility service became effective August 10, 1950.

Assets

Current assets -		
Cash	\$ 1,836.59	
Accounts receivable-net	68,455.96	
Inventory	<u>32,154.38</u>	
Total current assets		\$102,446.93
Fixed assets -		
Land, buildings, equipment	129,167.67	
Less-depreciation reserve	<u>21,260.81</u>	
Net fixed assets		107,906.86
Other assets		<u>14,897.50</u>
	<b>Total</b>	<b><u>\$225,251.29</u></b>

Liabilities and Net Worth

Notes payable	\$ 48,370.00
Current liabilities	23,600.74
Capital	<u>153,280.55</u>
	<b>Total</b>
	<b><u>\$225,251.29</u></b>

Applicant reports that he is indebted to Bank of America National Trust and Savings Association in the amount of \$36,602.31 in connection with the construction and acquisition of his facilities, and that the unpaid balance due on the purchase of the milling equipment is the sum of \$13,397.69. The application shows that he now desires to consolidate these two items of indebtedness into one loan from The Anglo California National Bank of San Francisco in the total amount of \$50,000.

The sum to be thus borrowed will be represented by a note payable in monthly installments beginning August 1, 1951, and continuing for a period of five years from date of said note, with interest at the rate of 5% per annum, said note to be secured by a deed of trust and by a mortgage of chattels.

Applicant has filed in this proceeding a copy of the proposed note and a copy of each of the indentures to be executed to secure the payment thereof. They appear to be in satisfactory form.

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 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. Howard T. Johnston, after the effective date hereof and on or before December 31, 1950, may issue a note in the principal amount of \$50,000 for the purpose of paying outstanding indebtedness, which note shall be in, or substantially in, the same form as that filed in this proceeding as Exhibit A.
2. Howard T. Johnston, after the effective date hereof and on or before December 31, 1950, may execute a deed of trust and a mortgage of chattels to secure the payment of said note, which deed of trust and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit B and Exhibit C, respectively.
3. Howard T. Johnston 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 Howard T. Johnston has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is fifty (\$50.00) dollars.

Dated at San Francisco, California, this 19<sup>th</sup> day of  
September, 1950.

R. T. [Signature]  
Justus J. [Signature]  
San H. [Signature]

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Commissioners

