

ORIGINAL

Decision No. 46126

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
MAXWELL-DELEVAN WAREHOUSE CORPORATION)
:)
For an order authorizing it to borrow)
\$65,000.00 from the Anglo California)
National Bank of San Francisco and to)
encumber its warehouse property and)
facilities as security therefor, and)
to expend the proceeds in erecting)
additional facilities.)
-----)

Application
No. 32661

OPINION AND ORDER

Maxwell-Delevan Warehouse Corporation has filed this application for authority to issue a note in the principal amount of \$65,000 for the purpose of paying indebtedness and of financing the cost of improvements, and to execute a deed of trust and a mortgage of chattels to secure the payment of said note.

Applicant is a California corporation engaged in the warehouse business in Colusa County. (1) It reports that its warehouse premises at the time of construction were intended solely for sack storage of grain and cereals and that its customers have requested that it convert its facilities so as to provide for bulk handling and storage. Accordingly, it has had surveys made which show that its properties can be converted and adapted to provide for bulk storage at a greatly increased daily intake capacity, which should result in a savings to the farmers using the facilities and in more

(1) Applicant commenced its operations in 1950 through purchase of warehouse properties formerly operated by Elva De Pue Matthews. It has reported its investment in properties at \$136,872 at the close of 1950 and, for the period from March 20 to December 31, 1950, revenues from warehouse operations at \$15,688 and from other operations at \$55,244, with net profit of \$12,523.

economical operations. Applicant estimates that the conversion of the premises will cost approximately \$55,000, including the cost of all bin construction and the installation of conveying and other machinery.

The application shows that applicant has on hand funds to provide a substantial part of the estimated cost but that it will be required to borrow \$25,000 to complete the program. It appears that presently applicant is indebted to The Anglo California National Bank of San Francisco in the approximate amount of \$40,000 and that the bank is willing to advance it an additional \$25,000, the total indebtedness to be represented by a new note for \$65,000, payable in annual installments of \$10,000 over a period of 6-1/2 years with interest at the rate of 5% per annum on the unpaid principal balances.

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 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. Maxwell-Delevan Warehouse Corporation, after the effective date hereof and on or before December 31, 1951, may issue a note in the principal amount of \$65,000 for the purposes of refinancing existing indebtedness and of providing in part the cost of the improvements referred to herein, and may execute a deed of trust and a mortgage of chattels to secure the payment of said note. The

note, deed of trust and mortgage of chattels authorized herein shall be in, or substantially in, the same form as those filed in this proceeding.

2. Maxwell-Delevan Warehouse Corporation shall file with the Commission monthly reports as required by 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 Maxwell-Delevan Warehouse Corporation has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 28th day of August, 1951.

R. J. [Signature]
Justus J. [Signature]
[Signature]

Commissioners

