

ORIGINAL

Decision No. 46553

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 EL REY MILLING CO.,)
 a corporation, for permission to)
 borrow money on a long term loan)
 under Section 850 of the Public)
 Utilities Code.)
 -----)

Application
No. 32966

O P I N I O N

This is an application for an order authorizing El Rey Milling Co. to execute a deed of trust and a mortgage of chattels and to issue a note in the principal amount of \$28,000, for the purpose of refunding outstanding indebtedness.

Applicant is a California corporation organized during July, 1948, for the purpose of engaging in public utility warehousing and other activities in King City. It reports that for the year ended June 30, 1951, its gross revenues from all its operations amounted to \$132,302.91, of which \$19,701.42 was received from storage and \$23,637.72 from other warehouse services such as bean and grain cleaning, special handling, and commissions. After paying operating expenses, taxes and interest and providing for depreciation, it reports its net profit for the period at \$4,515.08.

In Exhibit B applicant shows its net investment in its land, buildings, machinery and equipment and intangible capital at \$135,873.60 and in its current assets at \$57,276.32, making a total of \$193,149.92. Its exhibit indicates that its total investment is represented by common stock equity capital in the amount of

\$158,302.96, by a short-term note of \$28,000, and by accounts payable of \$6,846.96.

It appears that the short-term note is held by Monterey County Trust and Savings Bank and that applicant now has made arrangements to refund the amount through the issue of a new note in the principal amount of \$28,000, to be payable in annual installments of \$2,800 commencing December 1, 1952, with interest at the rate of 6% per annum. The payment of the note will be secured by a deed of trust and a mortgage of chattels covering applicant's properties, including those used in its warehouse operations.

A review of the information contained in this proceeding indicates that applicant does not have sufficient cash on hand to pay the presently outstanding note. Accordingly, an order will be entered granting its request to refinance the indebtedness.

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. El Rey Milling Co., after the effective date hereof and on or before April 30, 1952, may execute a deed of trust and a mortgage of chattels in substantially the same form as those filed in

this proceeding as Exhibit G and Exhibit E, respectively, and may issue a note in the principal amount of not exceeding \$28,000 in substantially the same form as that filed in this proceeding as Exhibit F, for the purpose of refunding outstanding indebtedness of like amount.

2. El Rey Milling Co. 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 El Rey Milling Co. has paid the fee prescribed by Section 1904 of the Public Utilities Code, which fee is twenty-eight (\$28.00) dollars.

Dated at San Francisco, California, this 19th day of December, 1951.

A. T. [Signature]
President

Justin J. [Signature]
Harold P. [Signature]

Kenneth W. [Signature]
John L. [Signature]
Commissioners

