

ORIGINAL

Decision No. 46557

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 ALLEN WAREHOUSE COMPANY)
 OF CALIFORNIA)
 for a permit authorizing it to sell)
 and issue its securities under Section)
 816 of the Public Utilities Code.)
 -----)

Application
No. 32888

O P I N I O N

This is an application for an order authorizing Allen Warehouse Company of California to issue \$125,000 of debentures for the purpose of financing construction costs and of providing working capital.

Applicant is a California corporation organized during June, 1951, with an authorized capital stock of 2,000 shares of the par value of \$10 each, for the purpose of operating cotton compress and cotton warehouse facilities in Fresno County. The record in a former proceeding (Application No. 32488) shows that it acquired certain unimproved real property and undertook to construct and equip the improvements needed in its proposed operations. In the former proceeding it was authorized to issue \$83,500 of notes, \$50,000 of stock, and \$75,000 of debentures to meet, in part, its estimated capital requirements (Decision No. 45851, dated June 26, 1951).

The present application shows that the estimated cost of the compress and warehouse properties and equipment is \$618,000, with estimated requirements for operating capital of approximately \$30,000. It appears that applicant, to meet these costs, has arranged for

additional bank loans and, in addition, that it intends, and in this application asks permission, to issue additional debentures similar to the \$75,000 of debentures now outstanding. The proposed issue will be in the aggregate amount of \$125,000, will bear interest at the rate 4% per annum, and will mature October 1, 1961. The debentures, by their terms, are subordinated to the claims and demands of any bank or trust company for moneys loaned to applicant.

Applicant has not yet commenced operations and it has not filed any estimates of its operating revenues and expenses for the first twelve months. It appears, however, from the verified application that it should have need for additional sums to complete its construction work and to provide initial working capital. Accordingly, an order will be entered granting applicant's request.

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 debentures authorized herein 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. Allen Warehouse Company of California, after the effective date hereof and on or before June 30, 1952, may issue and sell, at their face value, its debentures in the principal amount of

\$125,000, said debentures to be in substantially the same form as that filed in this proceeding.

2. Applicant shall use the proceeds to be received through such issue and sale to finance, in part, construction costs and to provide working capital to maintain its operations.

3. Applicant 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.

4. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904 of the Public Utilities Code, which fee is one hundred twenty-five (\$125.00) dollars.

Dated at San Francisco, California, this 18th day of December, 1951.

A. F. [Signature]
President
Justice F. [Signature]
Harold P. [Signature]
Samuel [Signature]
John L. [Signature]
Commissioners

