

ORIGINAL

Decision No. 47615

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Sacramento River Ware-)
house Company to issue additional)
capital stock.)
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Application
No. 33645

OPINION AND ORDER

This is an application for an order authorizing Sacramento River Warehouse Company to issue \$199,700 par value of its common stock in payment of outstanding indebtedness.

Applicant was organized on October 6, 1916, and now is, and for many years has been, engaged in operating public utility warehouses in Colusa County.⁽¹⁾ Its financial reports filed with the Commission show that up to December 31, 1951, it had invested \$419,637.08 in its fixed assets, after deducting its reserve for depreciation, and that it had financed itself in part with moneys advanced by its shareholders in the amount of \$270,306.39. It has an authorized capital stock of 5,000 shares of the par value of \$100 each, but presently has outstanding only three shares of the par value of \$300.

Applicant now reports that it desires to improve its financial structure and that to this end it has made arrangements to issue \$199,700 par value of its stock in exchange for the outstanding indebtedness of \$270,306.39. The excess of the indebtedness thus surrendered over the par value of the stock issued will be credited

(1)
For the year 1951 applicant reports utility revenues of \$131,916.78 and nonutility revenues of \$104,851.01, a total of \$236,767.79, with net income of \$14,195.30.

by applicant to its paid-in surplus account.

A pro forma statement of applicant's assets and liabilities as of December 31, 1951, giving effect to the proposed transaction, is as follows:

<u>Assets</u>		
Current assets -		
Cash	\$ 16,553.85	
Accounts receivable	109,569.24	
Inventory	749.95	
Prepaid insurance	<u>10,424.95</u>	
Total current assets		\$137,297.99
Fixed assets less depreciation reserve		<u>419,637.08</u>
Total		<u>\$556,935.07</u>
<u>Liabilities</u>		
Current liabilities		\$ 53,366.07
Long-term liabilities		200,130.08
Capital -		
Common stock	\$200,000.00	
Paid-in surplus	70,606.39	
Undistributed earnings	<u>32,832.53</u>	
Total capital		<u>303,438.92</u>
Total		<u>\$556,935.07</u>

The Commission has considered this matter and is of the opinion that a public hearing is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for by the issue of the stock 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. Sacramento River Warehouse Company, after the effective date hereof and on or before December 31, 1952, may issue not exceeding \$199,700 par value of its common stock for the purpose set forth herein.

2. Sacramento River Warehouse Company 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 twenty (20) days after the date hereof.

Dated at San Francisco, California, this 26th day of August, 1952.

President

Justin J. Cannon
Harold Kula

Francis J. Dutton
John E. Mitchell
Commissioners