

ORIGINAL

Decision No. 48497

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of SUNSET RICE DRYER, INC., for	:	
permission to execute a note and)	Application
deed of trust on its public	:	No. 34214
utility property.)	
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O P I N I O N

This is an application filed by Sunset Rice Dryer, Inc. for authorization to issue a note in the principal amount of \$55,000 for the purpose of financing the cost of improvements and to execute a deed of trust to secure the payment of the note.

Applicant is engaged in operating public warehouses for storage in sack and in bulk of rice, barley and wheat and also in milling and other operations in the County of Yolo. Its annual reports to the Commission show that its public utility operations constitute but a small part of its total business, the revenue figures for the last three years being shown as follows:

	<u>1950</u>	<u>1951</u>	<u>1952</u>
Public utility warehouse revenues	\$ 33,618	\$ 17,380	\$ 28,248
Nonutility revenues	122,610	235,667	256,930
Total revenues	156,228	253,047	285,178
Net income for year	<u>\$ 3,391</u>	<u>\$ 11,857</u>	<u>\$ 14,024</u>

According to applicant's 1952 annual report, its properties at the close of the year included facilities for the storage of 2,500 tons in bulk and 5,000 tons in sacks. The present application shows that applicant has decided to improve its service by making provision for bulk tank storage for an additional 3,000 tons of grain and rice and that it has made arrangements to borrow from Bank of America National Trust and Savings Association the sum of \$55,000 for this purpose. The proposed borrowing will be represented by a note payable

in annual installments of \$5,500, with interest at the rate of 5% per annum on deferred payments.

Applicant's financial position as of December 31, 1952, is indicated in the following balance sheet:

<u>Assets</u>		
Current assets -		
Cash	\$ 8,133.54	
Accounts receivable	15,198.70	
Materials and supplies	5,122.43	
Prepayments	<u>5,028.39</u>	
Total current assets		\$ 33,483.06
Fixed assets -		
Cost	211,987.72	
Depreciation reserve	<u>75,124.96</u>	
Balance		<u>136,862.76</u>
Total		<u>\$170,345.82</u>

<u>Liabilities and Capital</u>		
Current liabilities -		
Notes and accounts payable	\$ 14,764.93	
Accrued taxes	6,010.50	
Other liabilities	<u>2,939.01</u>	
Total current liabilities		\$ 23,714.44
Capital -		
Common stock (600 shares no par)	78,060.28	
Surplus	<u>68,571.10</u>	
Total capital		<u>146,631.38</u>
Total		<u>\$170,345.82</u>

From a review of this application it appears that applicant will have need for the additional borrowing in order to finance the cost of the proposed improvements. It is the opinion of the Commission that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purpose specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that an order should 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 is not necessary and that the application should be granted, as herein provided; therefore,

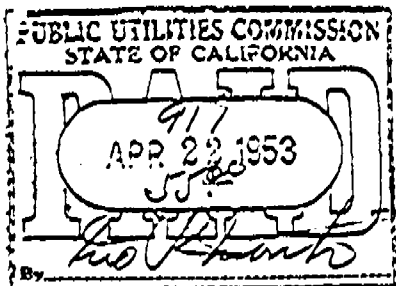
IT IS HEREBY ORDERED as follows:

1. Sunset Rice Dryer, Inc., on and after the effective date hereof and on or before December 31, 1953, may issue its note in the principal amount of \$55,000 for the purpose of financing the cost of improvements and additions to its facilities and may execute a deed of trust to secure the payment of the same, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding.

2. 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.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$55.00.

Dated at San Francisco, California, this 21st day of April, 1953.



[Signature]
President
Justus F. Coe
Harold P. Hale
[Signature]
[Signature]
Commissioners