

ORIGINAL

Decision No. 48601

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of E. J. SAAL and SOPHIA H. SAAL,)	
his wife, OSCAR F. ZEBAL and AGNES L. ZEBAL,	:	
his wife, and RIZ WAREHOUSE COMPANY,)	
a copartnership composed of E. J. SAAL, JR.	:	Application
and OSCAR F. ZEBAL for authorization to)	No. 34321
execute and deliver to Bank of America	:	
National Trust and Savings Association an)	
unsecured promissory note in the principal	:	
sum of \$130,000.00.)	
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OPINION AND ORDER

This application shows that E. J. Saal, Jr. and Oscar F. Zebal, partners doing business under the firm name of Riz Warehouse Company, are engaged in the business of storing rice, barley, wheat and other grains and commodities as public warehousemen in the County of Glenn, and in other activities, and that E. J. Saal, Sophia H. Saal, his wife, Oscar F. Zebal and Agnes L. Zebal, his wife, are the owners of the fee title in and to the real property upon which the storage and drying facilities are located. In this proceeding applicants seek authority to issue an unsecured note in the principal amount of \$130,000 for the purpose of refinancing outstanding indebtedness and of providing the cost of additions and improvements.

By Decision No. 46762, dated February 19, 1952, in Application No. 33142, the Commission authorized applicants to issue a note in the principal amount of \$50,000 and to execute a deed of trust and a mortgage of chattels to secure the payment of said note in order to finance in part the cost of additions and improvements. Applicants now report that they desire to discharge the indebtedness authorized by Decision No. 46762 and to remove the encumbrance of the deed of trust and mortgage of chattels securing said indebtedness, and in

addition desire to further enlarge, improve and modernize the warehouse, bulk storage and drying facilities by the expenditure of approximately \$80,000 for the following improvements and additions:

1. Converting 22,340 square feet of flat warehouse to bulk grain storage	\$40,000.00
2. Improving rough rice receiving capacity by installing larger receiving equipment and covering receiving pit	12,000.00
3. Increasing drying capacity and efficiency by installing a 20 ft. Shanzer drier in addition to two 30 ft. existing driers	20,000.00
4. Improving the efficiency and safety of flat grain storage	<u>8,000.00</u>
Total	<u>\$80,000.00</u>

To accomplish their objectives, applicants have arranged with Bank of America National Trust and Savings Association to borrow \$130,000 from said bank and to evidence said indebtedness by the execution and delivery of an unsecured promissory note payable in five annual installments of \$26,000 beginning one year after date, with interest on the deferred payments at the rate of 5½% per annum, payable annually. A copy of the promissory note which applicants propose to execute is attached to the application as Exhibit C.

The Commission has given consideration to 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 note herein authorized is reasonably required by applicants 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. E. J. Saal and Sophia H. Saal, his wife, and Oscar F. Zebal and Agnes L. Zebal, his wife, and E. J. Saal, Jr. and Oscar

F. Zebal, partners doing business as Riz Warehouse Company, on or before September 30, 1953, may issue a note in the principal amount of not exceeding \$130,000 for the purposes specified herein, such note to be in, or substantially in, the same form as that filed in this proceeding.

2. Applicants 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 applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$80.00.

Dated at San Francisco, California, this 19th day of May, 1953.

R. J. [Signature]
President

Justice F. Callahan
Harold D. Huls

Kenneth [Signature]
W. E. [Signature]
Commissioners

