

ORIGINAL

Decision No. 48676

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
DELMAR E. KING and FRANCES G.)
KING, husband and wife, for an)
Order authorizing execution of)
promissory note, together with)
deed of trust.)
-----)

Application
No. 34370

O P I N I O N

This is an application for an order of the Commission authorizing Delmar E. King and Frances G. King to execute a deed of trust and to issue a note in the principal amount of \$85,000 for the purpose of paying outstanding indebtedness and of providing the cost of improvements to their warehouse facilities.

The application shows that applicants are engaged in the general farming business near Biggs, Butte County, and that incidentally to said farming business they operate a rice drier and storage bins which they constructed during 1950 for the purpose of drying, storing and warehousing, in bulk, rice and other grains for themselves and for others.^{1/} Under authority granted by Decision No. 46905, dated March 25, 1952, they executed a deed of trust and issued a note in the principal amount of \$60,750 for the purpose of financing the cost of said facilities and of providing working capital. They report that the principal amount of the note thus

^{1/} Applicants' 1952 annual report shows their public warehouse revenues for the year at \$6,300.03 and their investment in public warehouse properties at the close of the year at \$111,242.50. Their financial statement filed in this proceeding shows their total net worth as of February 28, 1953, at \$354,700.00.

issued has been reduced to \$53,100.

It appears that applicants desire to make additions to their facilities by constructing four circular reinforced concrete bins and two interstice bins, thereby increasing the capacity of their plant from 60,680 bags to approximately 100,000 bags. Applicants report that the additional construction will require an outlay of approximately \$58,000, that they intend to advance \$26,100 from their own funds and to borrow \$31,900 from The Anglo California National Bank of San Francisco. The arrangements they have made, however, provide that the presently outstanding note be retired and the unpaid balance included in a new note and a new deed of trust, and therefore they propose to borrow \$85,000 from the bank to retire the outstanding obligation of \$53,100 and to provide \$31,900 to apply on the new facilities. The sum to be thus borrowed will be represented by a note bearing interest at the rate of $5\frac{1}{2}\%$ per annum, payable in ten annual installments of \$8,500 each, plus interest. The payment of the note will be secured by a deed of trust.

The Commission has considered this matter and is of the opinion 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, that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that an order should be entered granting applicants' 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. Delmar E. King and Frances G. King may issue a promissory note, on or before December 31, 1953, in the principal amount of not exceeding \$85,000, for the purpose of paying outstanding indebtedness and of financing the cost of improvements as set forth in this application, and may execute a deed of trust, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B, respectively.

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 \$32.00.

Dated at Los Angeles, California, this 9th day of June, 1953.

R. E. [Signature]
President

James J. [Signature]
Harold P. [Signature]

[Signature]
[Signature]
Commissioners

