

ORIGINAL

Decision No. 48726

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Tri-Counties Rice Dryer Company for)	Application
Authority to Issue Long Term Notes.)	No. 34425
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OPINION AND ORDER

O. C. Easter, Thomas Haverty, Merle P. Brooks, Steven C. Petrusich and Harold T. Thrash, doing business as Tri-Counties Rice Dryer Company, are engaged in operating a grain storage warehouse at Stegeman Station, Colusa County. In this application they seek authorization to execute a mortgage of chattels and to issue notes in the aggregate principal amount of \$206,000 for the purpose of refinancing outstanding indebtedness of \$131,000 and of providing the cost of additional facilities.

The application shows that up to March 31, 1953, applicants had invested \$327,776.46 in fixed assets, that they had under construction an additional unit consisting of 10 additional round tanks with elevator and drying facilities, estimated to cost \$90,000, and that in meeting their capital costs they had become indebted to Pacific National Bank of San Francisco in the amount of \$131,000 represented by three promissory notes.^{1/} It appears that they need additional funds to complete their construction program and that they have made arrangements to borrow additional sums from Pacific National Bank of San Francisco, such borrowing to be represented by

^{1/} For the year ended September 30, 1952, applicant reported utility revenues of \$30,018.92 and nonutility revenues of \$101,472.97, a total of \$131,491.89, with net income of \$64,622.78, before provision for income taxes.

two notes, one in the principal amount of \$200,000 bearing interest at the rate of 6% per annum and payable over a period of five years, for the purpose of paying two of the presently outstanding notes amounting to \$125,000 and to provide \$75,000 of the new funds required for the additional construction, and the other note in the principal amount of \$6,000 bearing interest at the rate of 5% per annum and payable over a period of two years, for the purpose of paying the remaining presently outstanding bank loan of like amount.

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 notes 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. O. C. Easter, Thomas Haverty, Merle P. Brooks, Steven C. Petrusich and Harold T. Thrash, doing business as Tri-Counties Rice Dryer Company, may execute a mortgage of chattels and may issue their promissory notes in the aggregate principal amount of \$206,000, on or before November 30, 1953, for the purposes set forth in this application, which chattel mortgage and notes shall be in, or substantially in, the same form as those 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.

Dated at San Francisco, California, this 23rd day of June, 1953.

A. J. [Signature]
President

Justin F. [Signature]
[Signature]
[Signature]

Commissioners

