

ORIGINAL

Decision No. 48811

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
Sacramento River Warehouse Company,)
a corporation, for an order author-)
izing it to borrow money and execute)
deed of trust and chattel mortgage)
on its properties to secure same.)
-----)

Application
No. 34478

O P I N I O N

This is an application for an order of the Commission authorizing Sacramento River Warehouse Company to execute a deed of trust and a mortgage of chattels and to issue a promissory note. Applicant reports that its board of directors has authorized a loan in the amount of \$150,000 but in this application it limits its showing with respect to its proposed borrowing to the sum of \$105,675.

Applicant is a California corporation engaged in operating public utility warehouses, primarily for the storage of grain and rice, at Colusa, Grimes and Miller's Landing. In its 1952 annual report it states that it operated 11 warehouses having a combined capacity of 65,534 tons, that its investment in its fixed assets amounted to \$731,060.03 as of December 31, 1952, with an accumulated depreciation reserve of \$307,110.15, and that it had financed itself in part with borrowed moneys and in part with equity capital. For the year ended December 31, 1952, it reported public utility revenues of \$133,023.20 and nonutility revenues of \$170,158.10, a total of \$303,181.30, and net income of \$28,197.86 after making provision for taxes on income. Its financial position as indicated by its balance sheet as of the end of 1952 is summarized as follows:

Assets

Fixed assets -		
Total fixed assets	\$731,060.03	
Less-depreciation reserves	<u>307,110.15</u>	
Net fixed assets		\$423,949.88
Current assets -		
Cash	10,746.36	
Accounts receivable	121,934.36	
Other current assets	<u>4,598.46</u>	
Total current assets		137,279.18
Deferred debits		<u>910.06</u>
	Total	<u>\$562,139.12</u>

Liabilities and Net Worth

Long-term debt	\$123,360.18	
Current liabilities	<u>101,837.16</u>	
Total liabilities		\$225,197.34
Net worth -		
Capital stock	200,000.00	
Surplus	<u>136,941.78</u>	
Total net worth		<u>336,941.78</u>
	Total	<u>\$562,139.12</u>

Included in applicant's outstanding long-term debt is a promissory note in favor of The Anglo California National Bank of San Francisco now in the amount of \$49,800, and a note in favor of C. W. Tuttle in the amount of \$10,000, which notes are payable in total annual installments of \$16,800 with interest at the rate of 5% per annum. It appears that the bank note, originally in the principal amount of \$90,000, was issued pursuant to authorization granted by the Commission by Decision No. 43762, dated February 7, 1950, as amended, in Application No. 30948, for the purpose of paying indebtedness and of financing the cost of property. The note in favor of C. W. Tuttle was not authorized by the Commission.

Applicant now desires to consolidate the unpaid balances of these two notes, amounting to \$59,800, into one loan with Bank of America National Trust and Savings Association, and to borrow the additional sum of \$45,875 for new construction and improvements to its present facilities, as follows:

Improvement of roadway and receiving pit at Miller's Landing	\$ 3,500
Changing roof at Miller's Landing warehouse	7,500
Expansion of small seed cleaning plant at Colusa	3,750
Additional grain cleaning machinery and improved bulk receiving facilities at Colusa	8,500
Improving facilities at Grimes #3 warehouse for handling seed	4,000
Small seed bin boxes at Colusa	2,625
Rice and grain drier at Grimes Warehouse #3	<u>16,000</u>
Total	<u>\$45,875</u>

The proposed borrowing from the bank to refinance the two notes to which reference has been made and to provide the cost of the additions and improvements will be represented by a new note in the principal amount of \$105,675, payable in monthly installments of \$1,141.75 including interest at the rate of 5½% per annum. The payment of the note will be secured by a deed of trust and by a mortgage of chattels.

The Commission has considered this matter and is of the opinion that applicant will have need for the proposed borrowing for the purposes indicated, that the money, property or labor to be procured or paid for by the issue of a note for \$105,675 is reasonably required by applicant for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

O R D E R

The Commission being of the opinion that a public hearing is not necessary in the above entitled matter and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Sacramento River Warehouse Company may issue a note in the principal amount of not exceeding \$105,675 for the purposes

set forth in this application and may execute a deed of trust and a mortgage of chattels, which note, deed of trust and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A, Exhibit B and Exhibit C, respectively.

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 \$56.00.

Dated at San Francisco, California, this 14th day of July, 1953.

A. J. [Signature]
 President

Justice F. Crane
Harold Hule
[Signature]

Commissioners

