

**ORIGINAL**

Decision No. 48813

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of JAY S. CLARE, doing business as	:	
"BUTTE CITY WAREHOUSE COMPANY" for	)	Application
an order authorizing the mortgage	:	No. 34498
of real and personal property of	)	
applicant.	:	
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OPINION AND ORDER

Jay S. Clare, applicant herein, is engaged in operating the Butte City Warehouse Company for the storage, cleaning and drying of grain with places of business at Princeton and Butte City.<sup>1/</sup> In this application he seeks authorization to execute a deed of trust and a mortgage of chattels and to issue a note in the principal amount of \$115,000 for the purpose of refinancing existing indebtedness and of providing the cost of additional facilities.

Applicant's 1952 annual report shows that he operates five warehouses having a combined capacity of 20,000 tons, that his

<sup>1/</sup> In his 1952 annual report Jay S. Clare shows his public utility revenues at \$54,433.26 and his nonutility revenues at \$80,299.43, a total of \$134,732.69, with net income, after taxes, of \$27,141.00. The report shows assets, liabilities and net worth as of December 31, 1952, as follows:

<u>Assets</u>		
Current assets		\$100,052.42
Fixed assets-net of depreciation		<u>144,492.56</u>
	Total	<u>\$244,544.98</u>
<u>Liabilities and Net Worth</u>		
Liabilities		\$ 82,500.00
Owner's investment		<u>162,044.98</u>
	Total	<u>\$244,544.98</u>

net investment in fixed assets, after deducting depreciation reserves, amounted to \$144,492.56 at the close of 1952, and that he had financed his investment in fixed and current assets in part with his own funds and in part with borrowed moneys, including a note presently outstanding in favor of Bank of America National Trust and Savings Association in the principal amount of \$67,500.<sup>2/</sup>

The present application sets forth that applicant is contemplating the construction, at an estimated cost of \$120,000, of new facilities for handling bulk storage of rice at Princeton to have a warehouse capacity of 6,000 tons, that he proposes to borrow \$115,000 from Bank of America to pay the present loan of \$67,500 and to provide a portion of the cost of the new construction, and that he proposes to use his own funds to meet the capital requirements in excess of the available proceeds from the loan. The new borrowing of \$115,000 will be represented by a note payable in five annual installments of \$23,000 with interest at the rate of 5½% per annum, payment to 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 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 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; therefore,

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<sup>2/</sup>

The presently outstanding note, originally in the principal amount of \$75,000, was issued under authority granted by Decision No. 45894, dated June 29, 1951, in Application No. 32479. It is payable in ten annual installments with interest at the rate of 5% per annum.

IT IS HEREBY ORDERED as follows:

1. Jay S. Clare, on and after the effective date hereof and on or before December 31, 1953, may execute a deed of trust and a mortgage of chattels, in, or substantially in, the same form as those filed in this proceeding, and may issue a note in the principal amount of not exceeding \$115,000 for the purpose of paying outstanding indebtedness and of financing in part the cost of additions to his facilities.

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.

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

[Signature]  
 President

[Signature]  
[Signature]  
[Signature]

Commissioners

