

ORIGINALDecision No. 49049

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of the)	
MITCHELL SILLIMAN COMPANY	:	Application
to issue its Deed of Trust and Mortgage of)	No. 34678
Chattels in the principal sum of \$112,600.	:	
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O P I N I O N

Mitchell Silliman Company has filed this application for authorization to issue promissory notes in the principal amount of \$112,600 and to execute deeds of trust and mortgages of chattels.

Applicant is a California corporation engaged in the public utility warehouse business and in related activities in the Salinas valley. In its annual reports for the last two years it has set forth its revenues and expenses in the following amounts:

	<u>1951</u>	<u>1952</u>
Revenues -		
Storage revenues	\$ 72,307.26	\$ 88,139.48
Other revenues	118,950.00	134,072.75
Total revenues	<u>191,257.26</u>	<u>222,212.23</u>
Expenses--exc. depreciation	159,356.80	186,896.18
Net profit before depreciation	31,900.46	35,316.05
Depreciation	<u>30,370.53</u>	<u>30,427.55</u>
Balance after depreciation	<u>\$ 1,529.93</u>	<u>\$ 4,888.50</u>

As of the close of 1952 applicant reports its investment in public utility properties in the amount of \$250,804.78 and in non-utility properties in the amount of \$158,286.27, a total of \$409,091.05, with an accumulated depreciation reserve in the amount of \$222,027.59. It reports current assets in the amount of \$183,256.09 and current liabilities of \$222,634.59. Its investment in its assets, and its liabilities and capital are reported in more detail as follows:

Assets

Fixed assets -		
Public utility property	\$250,804.78	
Nonutility property	<u>158,286.27</u>	
Total	409,091.05	
Less-depreciation reserve	<u>222,027.59</u>	
Net fixed assets		\$187,063.46
Current assets -		
Cash	15,728.76	
Accounts receivable	83,050.35	
Materials and supplies	<u>84,476.98</u>	
Total current assets		183,256.09
Other debits		<u>48,554.09</u>
		\$418,873.64

Liabilities and Capital

Long-term debt		\$ 80,247.36
Current liabilities -		
Accounts payable	\$155,136.17	
Notes payable	55,202.75	
Other liabilities	<u>12,295.67</u>	
Total current liabilities		222,634.59
Common stock and surplus		<u>115,991.69</u>
		\$418,873.64

The application shows that during the last few years applicant has extended its operations to additional communities and has increased its volume of business, resulting in a considerable volume of short-term borrowings for working capital and for the purchase of properties. It appears that applicant now desires to fund a portion of its current liabilities through the issue of long-term notes and that it has made arrangements to borrow the sum of \$112,600 from Monterey County Trust and Savings Bank.

The sums to be thus borrowed will be represented by two promissory notes, each secured by a deed of trust and a mortgage of chattels, one note to be in the principal amount of \$37,600 with interest at the rate of 6% per annum, payable in monthly installments of \$413 or more, and the other to be in the principal amount of \$75,000, with interest at the rate of 6% per annum, payable in monthly installments of \$833 or more. A copy of each note, together with the accompanying deed of trust and mortgage of chattels, has been filed in this proceeding.

ORDER

The Commission having considered the above entitled matter, and being 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 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,

IT IS HEREBY ORDERED as follows:

1. Mitchell Silliman Company may issue its promissory notes, on or before December 31, 1953, in the principal amount of not exceeding \$112,600, for the purpose of paying outstanding indebtedness, of financing the cost of property and of providing working capital, and may execute deeds of trust and mortgages of chattels, which notes, deeds of trust and mortgages of chattels shall be in, or substantially in, the same form as those filed in this proceeding.

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 \$113.00.

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

[Signature]
President
[Signature]
[Signature]
Commissioners

