

ORIGINAL

Decision No. 49137

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
N. F. DAVIS DRIER AND ELEVATOR,)
a corporation,)
For an Order Authorizing and)
Ratifying the Execution of a)
Note Secured by an Encumbrance)
upon Public Utility Property.)
-----)

Application
No. 34734

O P I N I O N

In this application N. F. Davis Drier and Elevator seeks authorization to issue a note for \$20,000 to finance the cost of improvements.

Applicant is a corporation engaged in the public warehouse business and in rice drying, cleaning and related activities in Firebaugh, Fresno County, its utility operations accounting for approximately 24% of total revenues. It reports that the volume of rice passing through its drying and storing facilities has increased steadily since it first began business in 1947, that its present facilities no longer are adequate for the amount of business it is handling, and that it is necessary for it to acquire additional rice drying facilities to meet demands for its services. Accordingly, it intends to construct or acquire such additional facilities and estimates it will have to spend approximately \$50,000 for a drier and machinery to move the rice, for a structure to house the drier and for concrete work, ramps, electrical wiring and miscellaneous fixtures. It reports that it intends to provide \$30,000 from its own funds for these purposes but that it is necessary for it to

borrow \$20,000 to complete the installation. The sum to be thus borrowed will be represented by a promissory note in favor of C. E. Grosjean Rice Milling Co., payable in annual installments of \$5,000 with interest at the rate of 5% per annum, payment to be secured by a deed of trust.

Applicant's latest financial statement filed with the Commission shows for the year ended April 30, 1953, utility revenues of \$40,769.81 and nonutility revenues of \$127,836.03, a total of \$168,605.84, and net income for the year of \$32,635.90. The statement shows current assets as of April 30 of \$112,153.12 and current liabilities of \$148,486.95 with long-term debt of \$55,946.43.

Applicant estimates that the additional revenues which will result from the increased facilities will be sufficient to enable it to service the proposed loan.

We have considered this application and are of the opinion that applicant will have need for the proposed borrowing to proceed with its construction work, 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. Accordingly, we will enter an order granting applicant's request.

ORDER

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. N. F. Davis Drier and Elevator may issue a promissory note, on or before December 31, 1953, in the principal amount of \$20,000 for the purposes 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. 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 minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 29th day of September, 1953.

R. J. [Signature]
President

Maxia J. [Signature]

[Signature]
[Signature]

Commissioners

