

Decision No. 49213

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
DEN DULK WAREHOUSE & FEED COMPANY, INC.,	:	Application
a California corporation, for leave to)	No. 34776
encumber Warehouse property.	:	
-----)	

OPINION AND ORDER

This is an application for an order of the Commission authorizing Den Dulk Warehouse & Feed Company, Inc. to issue a promissory note in the principal amount of \$40,000 and to execute a deed of trust and a chattel mortgage.

Applicant is a California corporation engaged in the public utility warehouse business and in merchandise activities in Ripon, San Joaquin County. Its financial statements filed with the Commission show that its volume of business and its investment in plant have been increasing. For the year ended April 30, 1952, it reported revenues from all sources in the amount of \$75,932 and for the year ended April 30, 1953, revenues of \$86,904. It further reports that it installed machinery and equipment during the past 24 months at a cost of \$23,500 and that it increased its accounts receivable and inventory by approximately \$25,000.

The application shows that in order to finance the capital costs and the increases in current assets, applicant was compelled to borrow moneys from Modesto Bank & Trust Co. on a short-term basis in the amount of \$20,000 and that now it desires to increase its borrowings to \$40,000 in order to refinance the \$20,000 loan

and a \$15,000 long-term loan heretofore authorized by the Commission, and to provide \$5,000 additional working capital. The sum to be thus borrowed will be represented by a note for \$40,000 in favor of Modesto Bank & Trust Co., payable in installments of \$666.66 a month plus interest at the rate of 5½% per annum, the note to be secured by a deed of trust on its real property and a chattel mortgage on its equipment.

The Commission has considered the request of applicant 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,

IT IS HEREBY ORDERED as follows:

1. Den Dulk Warehouse & Feed Company, Inc. may issue a promissory note in the principal amount of \$40,000 and may execute a deed of trust and a chattel mortgage on or before February 28, 1954, for the purposes indicated in this application.

2. Den Dulk Warehouse & Feed Company, Inc. 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 Den Dulk Warehouse & Feed Company, Inc. 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 20th day of October, 1953.

R. Z. [Signature]
President

Justus J. [Signature]

[Signature]
E. [Signature]

Donna [Signature]
Commissioners

