

ORIGINAL

Decision No. 49271

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of JOSEPE C. HORNALL, doing business	:	
as "ARBUCKLE WAREHOUSE" for an order)	Application
authorizing the mortgage of real	:	No. 34801
property of applicant.)	
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O P I N I O N

Joseph C. Hornall has filed this application for authorization to execute a deed of trust and to issue a note in the principal amount of \$35,000 for the purpose of refunding outstanding indebtedness and of financing the cost of additions to his plant.

Applicant is engaged in operating the Arbuckle Warehouse and the College City Warehouse for the storing, drying and cleaning of grain and rice. During the last three calendar years he has reported his revenues and expenses as follows:

	<u>1950</u>	<u>1951</u>	<u>1952</u>
Revenues -			
Public utility	\$ 50,251	\$ 51,831	\$ 67,891
Other revenues	<u>83,500</u>	<u>111,439</u>	<u>94,946</u>
Total	133,751	163,270	162,837
Expenses	<u>109,928</u>	<u>132,821</u>	<u>139,505</u>
Net income	<u>\$ 23,823</u>	<u>\$ 30,449</u>	<u>\$ 23,332</u>

At the close of 1952 applicant reported his net investment in fixed assets at \$219,172 and in net current assets at \$42,504, including cash on hand of \$1,037. He reported his long-term debt at \$26,160, which consisted of a ten-year note issued in 1945 in favor of Bank of America National Trust and Savings Association.

It now appears that applicant desires to improve his facilities and service through the conversion from sack to bulk storage and intends to construct and acquire bulk storage bins and handling machinery, all at an estimated cost of \$20,000. He has arranged to borrow \$35,000 from Bank of America National Trust and Savings Association to liquidate the present indebtedness standing against his properties, now reduced to the amount of \$25,016.89, and to provide approximately \$10,000 of the new construction costs. He will finance the remainder of his capital costs from his own funds.

The sum to be thus borrowed will be represented by a note bearing interest at the rate of 5.5% per annum and payable in 60 monthly installments, payment to be secured by a deed of trust. A copy of the proposed note and a copy of the proposed deed of trust have been filed in this proceeding.

A review of this application indicates that applicant will have need for the additional funds to meet, in part, his capital costs and that his earnings should be ample to service the proposed note. Accordingly, an order will be entered granting this application.

O R D E R

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 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. Joseph C. Hornall may issue a note in the principal amount of \$35,000 for the purposes set forth in this application and may execute a deed of trust to secure the payment of the same, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding.

2. Applicant shall file with the Commission a report, or 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 3rd day of November, 1953.

R. J. [Signature]
President

Justice J. C. [Signature]

[Signature]

[Signature]

[Signature]
Commissioners

