

ORIGINAL

Decision No. 49923

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
	:	
of)	
	:	
PORT OF STOCKTON GRAIN TERMINAL,)	
A Corporation,	:	Application
)	No. 35363
For an Order Authorizing the Execution	:	
and Delivery by Applicant of a Trust)	
Deed on Improved Real Property of	:	
Applicant.)	
-----	:	

OPINION AND ORDER

Port of Stockton Grain Terminal, applicant herein, is a corporation engaged in operating two warehouses for grain storage located in the Port District of Stockton.^{1/} It now reports that it proposes to erect an additional grain warehouse in the County of San Joaquin and in this petition it seeks authorization to issue a note in the principal amount of \$160,000 to finance a portion of the cost.

Heretofore applicant has acquired certain real property in San Joaquin County which will serve as a location for its proposed warehouse. The building will be a reinforced concrete structure, 150 feet by 600 feet, and will have a storage capacity of 41,000 tons. The total cost of the land and the building will be approximately \$300,000.

^{1/} Applicant's latest annual report shows cash and current assets in the amount of \$223,261 at May 31, 1953, and current liabilities at \$86,907. It has no long-term debt and has financed itself with common stock and retained earnings. For its fiscal year ended May 31, 1953, it reported gross revenue of \$475,612 and net earnings of \$36,932.

It appears from financial statements filed in this proceeding that applicant does not have sufficient cash on hand to finance the total costs and that it has made arrangements to borrow \$180,000 from Bank of California N. A. for the purpose of completing the payments. The amount to be thus borrowed will be evidenced by a note bearing interest at the rate of 5% per annum, payable on demand or, if no demand is made, then in annual installments of not less than \$36,000, plus interest, commencing April 15, 1955. The note will be secured by a deed of trust on the improved real property.

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 purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Port of Stockton Grain Terminal may issue a promissory note, on or before July 31, 1954, in the principal amount of \$180,000 for the purpose of financing, in part, the cost of the land and improvements referred to in this application, and may execute a deed of trust to secure the payment of said note. The note and the deed of trust to be executed by applicant under the authorization herein granted 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 fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$180.00.

Dated at San Francisco, California, this 20th day of April, 1954.

A. F. [Signature]
President

Justice F. [Signature]

[Signature]

[Signature]

[Signature]
Commissioners

