

ORIGINAL

Decision No. 50512

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of STEPHEN J. TAKACS,)
 LEE DIXON, BERNICE TAYLOR, IVAN)
 KANDRA, co-partners dba WINEMA)
 ELEVATORS to rebuild grain storage)
 Elevator near Tulelake, California,)
 which was destroyed by fire, made)
 pursuant to Section 1051 and Section)
 1001 Public Utilities Code.)
 -----)

Application
No. 35721

O P I N I O N

In this application Stephen J. Takacs, Lee Dixon, Bernice Taylor and Ivan Kandra, copartners doing business as Winema Elevators, seek authorization to execute a mortgage and to issue a note in the principal amount of \$143,250.

Applicants have been engaged in operating a grain storage elevator at Stronghold, Modoc County, on land leased from Great Northern Railway. They report their facilities were destroyed by fire in September of 1953, that they have rebuilt them on the same location and approximately of the same size, except of concrete instead of wood, at an approximate cost of \$310,000, and that they propose to continue with the operation of the plant for the storage of barley. They have made arrangements with First National Bank of Portland for a loan of \$143,250 to finance in part the costs of reconstruction.

The loan will be evidenced by a note payable in ten annual installments of \$14,325, plus interest at the rate of 5% per annum. Payment will be secured by a mortgage on the premises.

It appears that applicants also operate an elevator at Malone, Oregon, and that they are engaged in certain sales activities in addition to their public warehousing. In Exhibit B they have reported gross revenue from all sources for the 12 months ended July 31, 1954, in the amount of \$3,546,217, with net income of \$182,960 before income taxes, and they have set forth their statement of assets and liabilities as of July 31, 1954, as follows:

Assets

Current assets -		
Cash	\$ 3,621	
Accounts receivable	81,031	
Inventories	<u>20,499</u>	
Total current assets		\$105,151
Fixed assets		<u>527,041</u>
	Total	<u>\$632,192</u>

Liabilities and Capital

Current liabilities	\$138,221
First National Bank of Portland	141,750
Capital investment	<u>352,221</u>
	Total
	<u>\$632,192</u>

From a review of the application it appears that applicants will have need for the proposed borrowing for the purpose indicated in this proceeding. Accordingly, we will enter an order granting applicants' requests.

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 applicants for the purpose specified herein, and that such purpose, except as

otherwise authorized, is not, in whole or in part, reasonably charge-
able to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Stephen J. Takacs, Lee Dixon, Bernice Taylor and Ivan
Kandra may execute a mortgage in, or substantially in, the same form
as that filed in this proceeding, and may issue a note in the
principal amount of not exceeding \$143,250 for the purpose set forth
in the application.

2. Applicants 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
applicants have paid the fee prescribed by Section 1904(b) of the
Public Utilities Code, which fee is \$144.00.

Dated at San Francisco, California, this 14th day of
September, 1954.

John E. Washburn

President

Justus J. Cravener

Samuel Pottel

Gene Higgins

Commissioners

