

Decision No. 50874**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 MITCHELL SILLIMAN COMPANY)
 for authority to issue Deed of Trust)
 and Promissory Note in the amount)
 of \$12,000 upon its property at)
 Graves Station and to issue its)
 Promissory Note in the amount of)
 \$13,500 for improvements at)
 Chualar.)

Application
 No. 36458

O P I N I O N

Mitchell Silliman Company has filed this application for authorization to execute a deed of trust and to issue promissory notes in the aggregate principal amount of \$25,500.

Applicant is a California corporation engaged in the public utility warehouse business and in related activities in the Salinas valley. In its annual reports for the last two years it has set forth its revenues and expenses in the following amounts:

	<u>1952</u>	<u>1953</u>
Revenues -		
Public utility operating revenues	\$ 90,106.48	\$ 71,707.54
Nonutility operating revenues	132,105.75	160,587.98
Total revenues	<u>222,212.23</u>	<u>232,295.52</u>
Expenses-excluding depreciation	<u>186,896.18</u>	<u>205,798.88</u>
Net profit before depreciation	35,316.05	26,496.64
Depreciation	30,427.55	28,075.22
Balance after depreciation	<u>\$ 4,888.50</u>	<u>(\$ 1,578.58)</u>

As of the close of 1953 applicant reports its assets, liabilities and capital as follows:

Assets

Fixed assets -		
Public utility property	\$256,674.17	
Nonutility property	<u>161,834.77</u>	
Total	418,508.94	
Less-depreciation reserve	<u>243,598.98</u>	
Net fixed assets		\$174,909.96
Current assets -		
Cash	19,215.83	
Accounts receivable	82,074.99	
Materials and supplies	<u>130,487.44</u>	
Total current assets		231,778.26
Other debits		<u>45,772.78</u>
Total		<u>\$452,461.00</u>

Liabilities and Capital

Long-term debt		\$124,962.87
Current liabilities -		
Accounts payable	\$103,491.29	
Notes payable	92,592.75	
Other liabilities	<u>19,450.98</u>	
Total current liabilities		215,535.02
Common stock and surplus		<u>111,963.11</u>
	Total	<u>\$452,461.00</u>

The application shows that to provide for the increased crop of grain during the barley season recently concluded, applicant increased the facilities at its Chualar Warehouse with the aid of funds provided by short-term financing. In addition, applicant proposes to expand further its facilities for handling bulk grain at Graves Station. Applicant desires authority to issue long-term 6% notes in connection with the financing of these projects.

The Chualar Warehouse loan will be represented by a \$13,500 note secured by an existing deed of trust and chattel mortgage, payable in monthly installments of \$294.70 or more. The Graves Station loan will be represented by a \$12,000 note secured by a deed of trust, payable in monthly installments of \$135 or more. A copy of each note, together with the deed of trust accompanying the \$12,000 note, has been filed in this proceeding.

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 notes 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. Mitchell Silliman Company, on and after the effective date hereof and on or before December 31, 1955, may execute a deed of trust and issue its promissory notes in the aggregate principal amount of not exceeding \$25,500, for the purposes specified in this application, which deed of trust and notes shall be in, or substantially in, the same form as those filed in this proceeding.

2. Mitchell Silliman Company 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 fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$26.00.

Dated at San Francisco, California, this 21st day of December, 1954.

Arthur E. Mitchell
President

Justus J. Caenen

Kenneth Potter

Gene Higgins

Raylo W. Luterer
Commissioners

