

**ORIGINAL**

Decision No. 51189

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the	)	
International Fertilizer & Feed Co., a	:	
Corporation, for an order authorizing	)	Application
the issuance of promissory note and	:	No. 36777
encumbrance of public utility property.	)	
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OPINION AND ORDER

International Fertilizer & Feed Co. has filed this application for authorization to issue a note in the amount of \$196,000 and to execute a deed of trust.

Applicant is a California corporation engaged in certain merchandising activities and in the operation of a public utility warehouse at Bakersfield. Its financial reports show that by far most of its revenues are derived from its nonutility operations, its net sales for the fiscal year ended August 31, 1954, being reported at \$2,440,369 as compared with other income, including warehouse revenues, of only \$118,500. Its reports further show its total investment in its assets as of August 31, 1954, in the amount of \$923,019 and its outstanding long-term debt at only \$211,147. Its current assets were reported at \$342,452 as compared with current liabilities of \$469,826.

Included among the long-term obligations is a note, now in the principal amount of \$106,000 payable at the rate of \$3,774.30 a month with interest at the rate of 5% per annum, which was issued under authorization granted by Decision No. 47587, dated

August 19, 1952, in Application No. 33639, and which is secured by a deed of trust. Applicant now reports that it desires to increase its borrowings and that it has made arrangements to obtain \$196,000 from Bank of America National Trust and Savings Association to take up the present outstanding indebtedness of \$106,000 and to provide \$90,000 of additional funds for working capital. The new note will be payable in monthly installments of \$2,919.40, with interest at the rate of 5% per annum, and will be secured by a deed of trust which will be in, or substantially in, the same form as the deed of trust now outstanding.

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 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. International Fertilizer & Feed Co., on or after the effective date hereof and on or before December 31, 1955, may issue a note in the amount of not exceeding \$196,000 for the purpose of refinancing existing indebtedness and of providing working capital 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 Application No. 33639.

2. Applicant 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 \$90.

Dated at San Francisco, California, this 15<sup>th</sup> day of March, 1955.

*John E. Mitchell*  
President

*Justin F. Curran*  
*Paulo Ventresca*  
*Monty Noble*

Commissioners

