

ORIGINAL

Decision No. 51279

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
COLUSA GLENN DRIER COMPANY, a)
corporation, for an order authorizing)
said corporation to borrow \$150,000.00)
and to secure the same by chattel)
mortgage and deed of trust on)
corporation properties.)
-----)

Application
No. 36825

OPINION AND ORDER

In this proceeding Colusa Glenn Drier Company, a corporation, seeks authorization to execute a mortgage of chattels and a deed of trust and to issue a note in the principal amount of \$175,000 for the purpose of refinancing existing indebtedness and of providing the cost of additional facilities.

Applicant is a California corporation engaged in the operation of a public utility warehouse and rice drier plant just south of Maxwell, in Colusa County. It reports that storage facilities in the Sacramento valley are inadequate to meet the requirements of the rice growers and that it has made arrangements to construct additional facilities, consisting of eight concrete storage bins with the usual number of interstice bins, which will store approximately 200,000 100-lb. bags of rice.

It appears that applicant does not have sufficient cash on hand to finance the additional construction and that it has arranged to borrow \$175,000 from American Trust Company to pay

outstanding indebtedness of \$25,000 and to provide \$150,000 of new money. The proposed borrowing will be represented by a note bearing interest at the rate of 5% per annum and payable in equal successive annual installments of \$35,000 each on the first day of May, commencing 1956 and continuing through 1960. The payment of the note will be secured by a mortgage of chattels and also by a deed of trust.

According to financial statements filed in this proceeding, applicant's current assets amounted to \$43,737 on February 28, 1955, as contrasted with current liabilities of \$18,429. Its net investment in tangible assets aggregated \$363,972, an amount which has been financed primarily with equity funds, the balance sheet showing only \$50,000 of long-term debt outstanding. Applicant's revenues for the five months ended February 28, 1955, were \$138,945 and its net income was \$86,180.

From a review of this application we are of the opinion that a public hearing is not necessary, that applicant will have need for additional facilities, and 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, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Colusa Glenn Drier Company may execute a mortgage of chattels and a deed of trust and may issue a note in the principal amount of \$175,000 for the purposes indicated in this proceeding, which mortgage of chattels, deed of trust and note shall be in, or substantially in, the same form as those filed in this proceeding.

2. Colusa Glenn Drier 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 \$150.

Dated at San Francisco, California, this 5th day of April, 1955.

[Signature]
President

[Signature]
[Signature]
[Signature]

Commissioners

