

Decision No. 51294

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SAN MIGUEL FLOURING MILL CO. )  
for authorization to execute evidence )  
of indebtedness. )  
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Application  
No. 36798

OPINION AND ORDER

In this application San Miguel Flouring Mill Co., a corporation, seeks authorization to execute a chattel mortgage, to assume the payment of outstanding indebtedness of \$2,500, and to issue two notes in the aggregate principal amount of \$11,500 for the purpose of financing the cost of property.

Applicant is a California corporation engaged in the operation of two grain warehouses at San Miguel, San Luis Obispo County. It reports that there is a considerable quantity of grain now stored on farms in and around San Miguel and Paso Robles, that such grain must be moved before the 1955 crop can be harvested, and that the warehousemen in the service area have been urged by the Commercial Credit Corporation to provide additional storage space. Accordingly, applicant has made arrangements to purchase a third warehouse building which will hold approximately 6,000 tons of bulk grain.

According to the bill of sale, a copy of which is attached to the application, the property is being acquired from E. J. Ragatz and Elizabeth T. Ragatz, his wife, and F. E. Willging and

Marguerite C. Willging, his wife, for the sum of \$14,000, of which \$5,000 has been or will be paid in cash, \$2,500 will be represented by a 4-1/2% note in favor of Southern Pacific Milling Company now outstanding, and \$6,500 will be evidenced by a 6% note in favor of E. J. Ragatz and F. H. Willging, payable in annual installments of \$2,000 or more and secured by a chattel mortgage. Applicant made arrangements to obtain the \$5,000 down payment through the issue of a 6% unsecured note in favor of Chris Hodel and Maida Hodel, payable two years after date of issue.

As shown by financial statements filed in this proceeding, applicant's current assets as of January 1, 1955, aggregated \$27,275 and its current liabilities \$27,651. Its investment in fixed assets and merchandise aggregated \$43,707, after deducting accumulated reserve for depreciation. For the 12 months ended January 1, 1955, its gross revenues amounted to \$96,763 and its net profit to \$6,536.

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 notes 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. San Miguel Flouring Mill Co. may execute a chattel mortgage in, or substantially in, the same form as that filed in this proceeding, may assume the payment of outstanding indebtedness of \$2,500, and may issue notes in the aggregate principal amount of

\$11,500, payable as indicated herein, for the purposes set forth in this proceeding.

2. San Miguel Flouring Mill Co. 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 minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 17th day of April, 1955.

Arthur E. Mitchell  
President

Justus J. Crueser

Raymond L. Sweeney

Markus J. Spooly

Commissioners

