

ORIGINAL

Decision No. 51782

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
SAN JOAQUIN ELEVATOR AND SUPPLY)
COMPANY)
For Order Authorizing the Borrow-)
ing of Money and the Encumbrance)
of Property.)
-----)

Application
No. 37093

O P I N I O N

San Joaquin Elevator and Supply Company, a corporation, has filed this application for authorization to execute a deed of trust and a mortgage of chattels and to issue a note in the principal amount of \$225,000 for the purpose of paying outstanding current indebtedness of like amount.

Applicant is a California corporation organized on August 31, 1948, and engaged in merchandising activities and in public utility storage operations at San Joaquin in Fresno County. For its fiscal year ended November 30, 1954, it reported gross sales in the amount of \$206,349, storage revenues of \$46,848 and other income of \$81,438, total income from the three sources amounting to \$334,635. After paying expenses and taxes and making provision for depreciation in the amount of \$29,246, it reported net income for the 12-month period in the amount of \$19,305.

Information filed with the Commission shows that applicant has financed itself in part with equity capital and in part with borrowed money. Its financial position is reflected by its balance sheet of April 30, 1955, as follows:

Assets

Current assets -		
Cash	\$ 10,808	
Notes and accounts receivable	44,391	
Other current assets	<u>4,510</u>	
Total current assets		\$ 59,709
Fixed assets, less depreciation		305,001
Other assets		<u>850</u>
Total		<u>\$365,560</u>

Liabilities and Capital

Secured loan to Rosenberg Bros. & Co.		\$104,800
Notes payable to stockholders		82,800
Other liabilities -		
Accounts payable	\$ 12,940	
Interest payable	4,937	
Taxes payable	<u>6,752</u>	
Total other liabilities		<u>24,629</u>
Total liabilities		212,229
Equity capital -		
Common stock	129,600	
Accumulated earnings	<u>23,731</u>	
Total equity capital		<u>153,331</u>
Total		<u>\$365,560</u>

Subsequent to the date of the balance sheet applicant issued a short-term 5% note in the principal amount of \$225,000 to American Trust Company for the purpose of liquidating its outstanding notes of \$187,600 and of providing additional working capital of \$37,400. It now proposes to refinance its short-term borrowing through the issue of a long-term note in the same principal amount, payable in annual installments of \$45,000 commencing August 15, 1956, with interest at the rate of 5% per annum, the payment of the note to be secured by a deed of trust and by a mortgage of chattels.

The issue of the note should improve applicant's financial position by satisfying its current obligations and by deferring the time for payment of its indebtedness over a five-year period. On the basis of the information contained in the verified applica-

tion and the company's financial reports we will enter our order approving the transaction.

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 applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. San Joaquin Elevator and Supply Company, a corporation, on or after the effective date hereof and on or before December 31, 1955, may execute a mortgage of chattels and a deed of trust and may issue a note in the principal amount of \$225,000 for the purpose set forth in this application, which mortgage, deed of trust and note shall be in, or substantially in, the same form as those filed in this proceeding.

2. San Joaquin Elevator and Supply 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 \$225.

Dated at San Francisco, California, this 9th day of August, 1955.

John E. McCall
President

Justus J. Cramer
Ralph V. Vetter
William J. Dwyer
B. H. H. H.

Commissioners

