

ORIGINAL

Decision No. 51818

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LE GRAND ELEVATOR ASSOCIATION for)
Order Authorizing the Encumbrance)
of Applicant's Property.)
-----)

Application
No. 37153

O P I N I O N

This is an application for an order authorizing Le Grand Elevator Association, a corporation, to issue a note in the principal amount of \$18,000 for the purpose of refunding outstanding indebtedness, and to execute a deed of trust and a mortgage of chattels to secure the payment of the same.

Applicant is a California corporation organized during 1944 and presently engaged in the public utility warehousing of agricultural commodities at Le Grand and in related sales and mercantile operations.^{1/} It owns a warehouse building having 8,592 square feet of storage space and leases another, having 11,050 square feet of storage space. The principal commodities stored are barley and wheat. According to financial statements filed with the Commission, applicant's investment in its land, structures and equipment is \$68,108.11.

A summary of applicant's recorded assets and liabilities and net worth as of December 31, 1954, is as follows:

^{1/} According to financial statements filed with the Commission the public utility operations constitute a relatively minor part of the total business. In 1954 applicant reported storage revenues of \$5,111 and nonutility revenues of \$189,467.

Assets

Current assets -		
Cash	\$ 817.52	
Accounts receivable	19,152.77	
Inventory	<u>18,605.91</u>	
Total current assets		\$38,576.20
Fixed assets -		
Cost	68,108.11	
Less: Depreciation reserves	<u>24,500.82</u>	
Net fixed assets		<u>43,607.29</u>
	Total	<u>\$82,183.49</u>

Liabilities and Net Worth

Current liabilities -		
Notes payable to bank	\$10,000.00	
Accounts payable	18,705.87	
Accrued taxes	<u>865.44</u>	
Total current liabilities		\$29,571.31
Long-term liabilities -		
Notes payable to bank	8,000.00	
Notes payable to others	<u>11,835.16</u>	
Total long-term liabilities		19,835.16
Common stock equity -		
Common stock	16,000.00	
Earned surplus	<u>16,777.02</u>	
Total common stock equity		<u>32,777.02</u>
	Total	<u>\$82,183.49</u>

In financing itself it appears that applicant, among other things, issued a long-term secured note to Anglo California National Bank during 1948 in the principal amount of \$20,000, of which \$8,000, as shown by the preceding balance sheet, presently remains unpaid. In addition it incurred a short-term obligation in the amount of \$10,000, which is unsecured and presently is outstanding.

Applicant now desires to refinance the two items of indebtedness through the issue of a new note to Anglo California National Bank in the principal amount of \$18,000, to be payable in annual installments of \$2,000 commencing November 1, 1955, with interest at the rate of 5% per annum. A copy of the proposed

form of note has been filed in this proceeding as Exhibit A, a copy of the deed of trust as Exhibit B, and a copy of the mortgage of chattels as Exhibit C.

From a review of the proceeding it appears that the proposed financing will improve applicant's position by liquidating the present current obligations and by extending the time for payment of its bank borrowings. Accordingly, we will enter our order approving applicant's requests.

ORDER

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. Le Grand Elevator Association, a corporation, may issue a note on or before December 31, 1955, in the principal amount of \$18,000 for the purpose of refinancing outstanding indebtedness of like amount, and may execute a deed of trust and a mortgage of chattels, which instruments shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A, Exhibit B and Exhibit C.

2. Le Grand Elevator Association 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 16th day of August, 1955.

John E. ...
President

Justin J. ...
Randolph ...

...
R. Hardy
Commissioners

