

Decision No. 54813

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

|                                    |                       |
|------------------------------------|-----------------------|
| In the Matter of the Application ) |                       |
| of )                               |                       |
| N. F. DAVIS DRIER AND ELEVATOR, )  | Application No. 38502 |
| a corporation, )                   |                       |
| For an Order Authorizing and )     |                       |
| Ratifying the Execution of a )     |                       |
| Note Secured by an Encumbrance )   |                       |
| upon Public Utility Property. )    |                       |
| ----- )                            |                       |

OPINION AND ORDER

In this application the Commission is asked to make an order authorizing N. F. Davis Drier and Elevator, a corporation, to execute a deed of trust and to issue a promissory note in the principal amount of \$151,000.

Applicant is engaged in the public warehouse business and in rice drying, cleaning and related activities in Firebaugh, Fresno County, the utility operations accounting for approximately 25 per cent of total revenues. It now reports that it has arranged to purchase approximately 285 acres of farming land near Firebaugh to be used for the growing of rice, cotton, alfalfa and other crops, thus providing additional income and net profit for the corporation. It is the opinion of applicant that the acquisition of the farming acreage will make its financial position much stronger and will insure its ability to carry out its public utility functions.

The purchase price of the farming land to be acquired by applicant is \$135,750. Applicant has made a down payment of \$15,000 on the land, leaving an unpaid balance of \$120,750. To finance a

portion of the unpaid purchase price and to provide the funds with which to liquidate certain current liabilities totaling \$35,600 and long-term indebtedness totaling \$26,666.68, applicant proposes to borrow \$151,000 from the Northwestern Mutual Life Insurance Company of Milwaukee, Wisconsin, and requests authority to issue its note as evidence of such indebtedness. The note, a copy of which is attached to the application as Exhibit A, provides for payments upon principal of \$11,750 on the first day of January of each of the years 1958 to and including 1967, with four additional installments in the amount of \$3,350 each on the first day of January of each of the years 1968 to 1971, both inclusive, with the remaining balance, in the amount of \$20,100, payable 15 years from the date of the execution of the note. To secure payment of the note, applicant proposes to execute a deed of trust upon the real property it now owns, together with farming acreage it proposes to acquire. A copy of the deed of trust which applicant proposes to execute is attached to the application as Exhibit B.

The refunding operations and the acquisition of farming property which will be accomplished through the issuance of the proposed note appear reasonable and not adverse to the public interest and should, in addition to consolidating certain indebtedness, enable applicant to engage in more diversified activities. It appears to us upon reviewing the application that a public hearing is not necessary and that applicant's request should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. N. F. Davis Drier and Elevator may issue a note in the principal amount of \$151,000 for the purposes set forth in this application and may execute a deed of trust, which note and deed of

trust shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B, respectively, it being the opinion of the Commission that the money, property or labor to be procured or paid for through the issue of said note 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.

2. Applicant shall file with the Commission a report, or 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 \$151.00.

Dated at San Francisco, California, this 5<sup>th</sup> day of NOVEMBER, 1956.

[Signature]  
President

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner C. Lynn Fox did not participate in the disposition of this proceeding.

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
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[Signature]