

ORIGINAL

Decision No. 54401

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of

FARMERS PUBLIC WAREHOUSE AND HI  
AND DRY WAREHOUSE, INC., a  
corporation, to issue promissory  
note for the purpose of new con-  
struction and to retire existing  
promissory note under the  
provisions of Section 816-830  
and 851-853 of the Public  
Utilities Code.

Application No. 38722

OPINION AND ORDER

Farmers Public Warehouse and Hi and Dry Warehouse, Inc., 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 \$132,000 for the purpose of refinancing existing indebtedness and of providing the cost of additional facilities.

Applicant is engaged in operating public warehouses for the storage of agricultural commodities in the Sacramento Valley, and in conducting related nonutility activities. It reports that there is an increasing demand for bulk storage in its area and that it proposes to construct, on certain real property now owned by it, additional facilities consisting of six bulk storage cement bins or silos, 24 feet in diameter and 76 feet in height, together with necessary conveying equipment, at a cost of \$100,000. The new installation will provide

storage capacity for approximately 5,000 tons at one time in bulk storage.

It appears that applicant does not have sufficient cash on hand to finance the construction costs and that, therefore, it has arranged to borrow \$132,000 from the Crocker-Anglo National Bank to liquidate existing mortgage indebtedness of \$32,000 and to meet the cost of the new plant. The borrowing will be represented by a note payable in annual installments of \$18,857.15 with interest at the rate of 5 $\frac{1}{2}$ % per annum.

Upon reviewing the application, we are of the opinion that a public hearing is not necessary, that the application should be granted, 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, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Farmers Public Warehouse and Hi and Dry Warehouse, Inc., on and after the effective date hereof and on or before August 31, 1957, may execute a deed of trust and a mortgage of chattels and may issue a note in the principal amount of not exceeding \$132,000 for the purposes set forth in this proceeding, said deed of trust, mortgage of chattels and note to be in, or substantially in, the same form as those filed in this proceeding.

2. Farmers Public Warehouse and Hi and Dry Warehouse, Inc., shall file with the Commission a monthly 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 Farmers Public Warehouse and Hi and Dry Warehouse, Inc., has paid the fee proscribed by Section 1904(b) of the Public Utilities Code, which fee is \$100.

Dated at San Francisco, California, this 22<sup>nd</sup> day of January, 1957.

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President  
Ray L. Hutcheson  
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W. H. ...  
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R. H. ...  
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Commissioners

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
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By Raymond ...