

ORIGINAL

Decision No. 54468

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of

TERHEL FARMS DRIER & STORAGE CO.,
a corporation

for an order authorizing it to borrow money and execute its promissory note to the Crocker-Anglo National Bank, a national banking association, and to secure the same by a Deed of Trust and Chattel Mortgage upon property owned by Applicant.

Application No. 38770

OPINION AND ORDER

Terhel Farms Drier & Storage Co. 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 \$150,000 for the purpose of refinancing existing indebtedness and of reimbursing its treasury.

Applicant is engaged in the business of drying barley, wheat, rice and other grains and, incidentally thereto, in the operation of public utility storage facilities in the County of Colusa. Its real property is subject to a deed of trust in favor of Bank of America National Trust and Savings Association securing an indebtedness of \$91,562.26, originally in the amount of \$170,000, which applicant was authorized to assume under the authority of Decision No. 46346, dated October 30, 1951. At December 31, 1956, applicant's earned surplus is reported at \$78,104.08, substantially all of which, over and above cash of \$10,982.97, has been used in the reduction of such indebtedness.

It appears that the applicant has need for additional funds in its operations and that it desires (1) to replenish its treasury to the extent of \$58,437.74 for earnings heretofore utilized to reduce its indebtedness to \$91,562.26, and (2) to refinance such outstanding indebtedness. For these purposes it has arranged to borrow \$150,000 from the Crocker-Anglo National Bank, the same to be represented by a note payable in annual installments of \$15,000 with interest on unpaid balances at the rate of 5-1/2% 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. Terhel Farms Drier & Storage Co., on and after the effective date hereof and on or before April 30, 1957, may execute a deed of trust and a mortgage of chattels and may issue a note in the principal amount of not exceeding \$150,000 payable in annual installments of \$15,000 with interest at the rate of 5-1/2% per annum, 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. Terhel Farms Drier & Storage Co. 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 Terhel Farms Drier & Storage Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$150.

Dated at San Francisco, California, this 5th day of FEBRUARY, 1957.

Peter E. Mitchell
President

Ray E. Untereiner

Rex Hardy

C. Lyn Fox

Commissioners

PETER E. MITCHELL
President
RAY E. UNTEREINER
REX HARDY
C. LYN FOX
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

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BY [Signature]