

Decision No. 54797

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
 of )  
 DELMAR E. KING, also known as )  
 D. E. KING and FRANCES GIRDNER )  
 KING, husband and wife, for an )  
 Order Authorizing Execution of )  
 a Promissory Note and a Deed of )  
 Trust to Secure Said Note. )  
 ----- )

Application No. 38926

O P I N I O N

This is an application for an order of the Commission authorizing Delmar E. King and Frances G. King to execute a deed of trust and to issue a note in the principal amount of \$125,000 for the purpose of paying outstanding indebtedness and of financing the cost of additional storage facilities.

Applicants are engaged in a general farming business near Biggs, Butte County. Incidental to such farming business, they operate a rice dryer and storage bins for the purpose of drying, storing and warehousing in bulk, rice and other grains for themselves and for others. Applicants' 1956 annual report shows their public utility warehouse operating revenues for the year at \$13,444.08 and revenues from nonutility operations at \$52,891.28. Such report shows the investment in public utility warehouse property at December 31, 1956, in the amount of \$202,219.15. Applicants' net worth at February 27, 1957, is shown as \$464,172 in a financial statement attached to the application.

Under authority granted by Decision No. 48676, dated June 9, 1953, as amended by Decision No. 50375, dated August 10, 1954,

applicants executed a deed of trust and issued a note in the principal amount of \$85,000 for the purpose of paying indebtedness and financing the costs of improvements to their warehouse and rice drying facilities. They report that the principal amount of the \$85,000 note has been reduced to \$59,500.

Applicants propose to erect additional storage facilities at an approximate cost of \$70,000, to be financed, in part, by a \$65,500 loan from Crocker-Anglo National Bank. The arrangements they have made, however, provide that the presently outstanding note be retired and the unpaid balance included in a new note and a new deed of trust, and therefore they propose to borrow \$125,000 from the bank to retire the outstanding obligation of \$59,500 and to provide \$65,500 to apply on the new facilities. The sum to be thus borrowed will be represented by a note bearing interest at the rate of 5-1/2% per annum, payable in ten annual installments of \$12,500 each, plus interest payable quarterly. The payment of the note will be secured by a deed of trust.

The Commission has considered this matter and is of the opinion that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicants for the purposes specified herein, that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that an order should be entered granting applicant's request.

ORDER

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Delmar E. King and Frances G. King may issue a promissory note, on and after the effective date hereof and on or before June 30, 1957, in the principal amount of not exceeding \$125,000, for the purpose of paying outstanding indebtedness and of financing the cost of improvements as 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.

2. Applicants 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 applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 9<sup>th</sup> day of April, 1957.

Paul E. Mitchell  
President  
Paul Westerman  
William D. ...  
W. Hardy  
E. Lynn Fox  
Commissioners

