

**ORIGINAL**

Decision No. 55173

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of the International Fertilizer & Feed Company, a Corporation, for an order authorizing the issuance of Promissory note and encumbrance of public utility property.

Application No. 39139

OPINION AND ORDER

International Fertilizer & Feed Company has filed this application for authorization to execute a deed of trust and to issue a note in the principal amount of \$250,000.

Applicant is engaged in operating a mercantile business and, incidental thereto, in conducting public utility warehousing in Bakersfield. Its volume of business is substantial. For the fiscal year ended August 31, 1956, it reported gross sales of \$1,656,458 and other income of \$169,463, including warehouse revenues of \$145,994. After deducting cost of goods sold and operating expenses and making provision for taxes and depreciation, it reported net profits of \$53,697. Applicant's balance sheet of December 31, 1956, shows current assets of \$393,027 and current liabilities of \$326,112.

Presently, applicant is indebted to Bank of America National Trust and Savings Association in the amount of \$117,000. It reports that it has need for additional borrowings in order to augment its working capital and to pay amounts due on the cost of

a warehouse it recently constructed and that it has made arrangements with the bank to obtain \$250,000 to take up the existing loan and to provide the additional capital. The borrowings will be represented by a note repayable in monthly installments of \$4,834 plus interest at the rate of 6 per cent per annum.

The Commission has considered this matter and is 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 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. International Fertilizer & Feed Company, on or after the effective date hereof and on or before December 31, 1957, may issue a note in the amount of not exceeding \$250,000 for the purposes of refinancing existing indebtedness and of providing working capital and may execute a deed of trust to secure the payment of said note, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding.

2. Applicant 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 International Fertilizer & Feed Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$133.

Dated at Los Angeles, California, this 25<sup>th</sup> day of June, 1957.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]

Commissioners

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
**PAID**  
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133.<sup>00</sup>  
BY [Signature]