

ORIGINAL

Decision No. 50650

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of
SALYER GRAIN AND MILLING COMPANY, a
California Corporation, for authority
to borrow monies and to issue an
unsecured promissory note therefor,
for the construction of additional
warehouse facilities for the storage
of grain within the State of California.

Application No. 40025

O P I N I O N

Salyer Grain and Milling Company has filed this application for authorization to issue an unsecured note in the principal amount of \$175,000 to finance the cost of additional warehouse facilities.

Applicant is a California corporation engaged in operating public utility warehouses in Corcoran and Stockton. It reports that presently it utilizes six warehouse buildings; that there is a demand by growers for additional warehouse space; and that it has concluded to construct an additional storage warehouse at Corcoran, on land it now owns, which will increase its capacity by approximately 22,000 tons.

The estimated cost of the new warehouse and equipment related thereto is \$175,000. Applicant has made arrangements to obtain the required funds from Crocker-Anglo National Bank and to issue, in evidence of the amount, an unsecured promissory note which will be payable in three equal annual installments with interest at the rate of 6% per annum.

The company's financial position as of March 31, 1958, is indicated in the following condensed balance sheet:

Assets

Current assets -		
Cash	\$ 6,014	
Accounts receivable	342,929	
Other current assets	<u>31,350</u>	
Total current assets		\$ 380,293
Tangible assets, less reserve		742,523
Other assets		<u>114,540</u>
 Total		 <u>\$1,237,356</u>

Liabilities and Capital

Current liabilities	\$ 130,972
Common stock and surplus	<u>1,106,384</u>
 Total	 <u>\$1,237,356</u>

The recorded revenues and expenses for the year ended June 30, 1957, and the nine months ended March 31, 1958, are shown in the following tabulation:

	Year Ended <u>June 30, 1957</u>	9 Mos. Ended <u>March 31, 1958</u>
Storage revenues	\$320,268	\$388,196
Other revenues	<u>126,931</u>	<u>40,512</u>
Total	447,199	428,708
Expenses (exc. depreciation)	<u>308,761</u>	<u>286,461</u>
Net profit, before depreciation	138,438	142,247
Depreciation charges	<u>62,852</u>	<u>47,139</u>
Balance	<u>\$ 75,586</u>	<u>\$ 95,108</u>

From a review of the verified application, it appears that the company will have need for funds from external sources to finance its plant expansion and that, on the basis of recorded experience, the earnings from operations should be ample to meet the requirements to be imposed by the terms of the proposed note. Accordingly, we will enter our order granting the application.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required 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. Salyer Grain and Milling Company, on and after the effective date hereof and on or before September 30, 1958, may issue an unsecured promissory note in the principal amount of not exceeding \$175,000, under the terms and for the purposes set forth in this application.

2. Salyer Grain and Milling Company 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 Salyer Grain and Milling Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$175.

Dated at San Francisco, California, this 13th day of May, 1958.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners

