

Decision No. 56635

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 G. KING,
also known as 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. 40150

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 \$212,500 for the purposes of paying outstanding indebtedness and of financing the cost of additional storage facilities.

Applicants are engaged in a general farming business near the City of Biggs, Butte County. Incidental to such farming business, they operate a rice dryer and storage facility for the purpose of drying, storing and warehousing in bulk, rice and other grains for themselves and for others. Applicants' 1957 annual report shows their public utility warehouse operating revenues for the year at \$19,004.14 and revenues from nonutility operations at \$72,371.79. Such report shows the investment in public utility warehouse property at December 31, 1957, in the amount of \$297,295.02. Applicants' net worth at March 11, 1958, is shown at \$516,223 in a financial statement attached to the application.

Under authority granted by Decision No. 54797, dated April 9, 1957, as supplemented by Decision No. 55765, dated November 5, 1957, applicants executed a deed of trust and issued a note in the principal amount of \$125,000 for the purposes of paying indebtedness and of financing, in part, the cost of erecting additional storage facilities. They report that the principal amount of the \$125,000 note has been reduced to \$112,500.

Applicants propose to erect additional storage facilities at an approximate cost of \$100,000, to be financed by a \$100,000 loan from Crocker-Anglo National Bank. The arrangements they have made, however, require the retirement of the presently outstanding note and the inclusion of the unpaid balance in a new note and the execution of a new deed of trust. Therefore, they propose to borrow \$212,500 from the bank to retire the outstanding obligation of \$112,500 and to provide \$100,000 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 \$21,250 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 applicants' request.

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 and that the application should be granted, as herein provided; therefore,

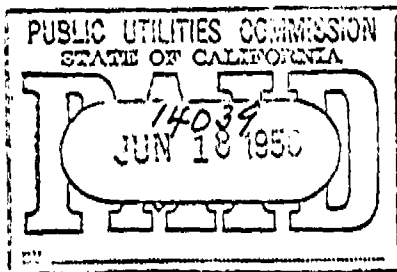
IT IS HEREBY ORDERED as follows:

1. Delmar E. King and Frances G. King, on and after the effective date hereof and on or before September 30, 1958, may issue a promissory note in the principal amount of not exceeding \$212,500, for the purposes 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 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 applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$100.

Dated at San Francisco, California, this 17th day of June, 1958.



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