

ORIGINAL

Decision No. 58114

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of the International Fertilizer
& Feed Co., a Corporation, for
an order authorizing the
issuance of promissory note and
encumbrance of public utility
property.

Application No. 40888

OPINION AND ORDER

International Fertilizer & Feed Company, a corporation, 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. For the fiscal year ended August 31, 1958, it reported gross sales of \$1,412,491 and other income of \$157,834, including warehouse revenues of \$108,954. After deducting cost of goods sold and operating expenses and making provision for taxes and \$28,770 for depreciation, it reported operating profits of \$9,287. Applicant's balance sheet of August 31, 1958, shows current assets of \$263,984 and current liabilities of \$310,087.

Presently, applicant is indebted to Bank of America National Trust and Savings Association on a mortgage note in the amount of \$182,000, this being the remaining outstanding balance of a note originally in the amount of \$250,000. It reports that it has need for additional borrowings in order to augment its

working capital and to improve its cash position and that it has made arrangements with the bank to obtain \$250,000 to take up the existing loan and to provide additional working capital of approximately \$68,000. The borrowings will be represented by a note repayable in monthly installments of \$2,775.60 with interest at the rate of six 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 and after the effective date hereof and on or before August 31, 1959, 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. International Fertilizer & Feed Company 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 \$68.

Dated at San Francisco, California, this 15th day of March, 1959.

E. L. Fox
President
John E. McMillen
Marshall J. Seal

Commissioners

