

Decision No. 58335

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of RIZ WAREHOUSE COMPANY, a
copartnership composed of
E. J. SAAL, Jr. and OSCAR F.
ZEBAL, copartners, for order
authorizing issuance of
unsecured promissory note
in the sum of \$30,000.00

Application No. 41038

OPINION AND ORDER

E. J. Saal, Jr. and Oscar F. Zebal, applicants herein, are engaged as partners in the operation of facilities for the storage of rice, barley, wheat and other grains and commodities in Glenn County, the business being conducted under the name of Riz Warehouse Company. In this application they report that they have found it necessary to enlarge, improve and modernize their warehouse plant and they seek authorization to borrow \$30,000 for this purpose.

The proposed borrowing will be represented by an unsecured note in favor of Bank of America National Trust and Savings Association which will be payable in annual installments of \$10,000 with interest at the rate of 6% per annum. A copy of the proposed note is on file in this proceeding as Exhibit C.

Specifically, applicants intend to use the proceeds for the following purposes:

| | | |
|-----|---|------------------------|
| (a) | To extend two existing Shanzer 30 ft. driers by ten additional feet to increase the capacity for Calora rice drying | \$10,000 |
| (b) | To install cleaning and handling equipment in order to more properly handle, receive and dry the Calrose variety of rice | 7,000 |
| (c) | To add additional handling and receiving bins and to place a roof over the same so that said bins may be used on a year round basis instead of a seasonal basis as so heretofore used | 11,000 |
| (d) | To anticipate additional expenses and obligations in completing the foregoing | <u>2,000</u> |
| | Total | <u><u>\$30,000</u></u> |

Applicants assert that the proposed improvements are necessary in order to separate the handling and receiving of the different varieties of rice and that they will permit a more efficient service.

The latest annual report of the partnership shows, for the twelve months ended May 31, 1958, operating revenues of \$121,920 and net income of \$9,926, after provision of \$49,610 for depreciation. The report shows recorded net investment in fixed assets at \$91,571 and outstanding long-term debt of only \$10,000.

Upon reviewing the verified application, we are 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 in the application, that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that an ex parte order should be entered granting applicants' request; therefore,

IT IS HEREBY ORDERED as follows:

1. E. J. Saal, Jr. and Oscar F. Zebal, copartners doing business as Riz Warehouse Company, may issue a note on or before September 30, 1959, in the principal amount of not to exceed \$30,000 and use the proceeds for the purposes specified in this application.

2. E. J. Saal, Jr. and Oscar F. Zebal, copartners, 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 E. J. Saal, Jr. and Oscar F. Zebal have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$30.

Dated at San Francisco, California, this 5th day of May, 1959.

E. L. Fox President
W. H. ...
W. H. ...
Theodore ...
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
16040
MAY 7 1959
BY _____