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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of WILLARD W. PITMAN, GINO J. PETRUCCI, and RAYMOND PETRUCCI, doing business as THE VALLEY GRAIN DRIER COMPANY, a limited partnership, for an order authorizing them to borrow money and encumber public utility property.

Application No. 41259

OPINION AND ORDER

Willard W. Pitman, Gino J. Petrucci and Raymond Petrucci, doing business as The Valley Grain Drier Company, applicants herein, are public utility warehousemen operating facilities at Berenda, Madera County, for the storage and handling of corn, milo and other commodities. In this application they report that they are enlarging their facilities by the construction of two 1,200-ton steel tanks and two 400-ton steel tanks and that they desire, and here seek authorization, to borrow \$120,000 to finance the cost of their plant improvements and to refund existing obligations incurred in making improvements.

The proposed borrowing will be represented by a note, secured by a deed of trust, in the amount of \$120,000 payable in the amount of \$6,000 on January 1, 1960, \$12,000 on January 1 of each of the years 1961 to 1964, inclusive, and \$6,600 on January 1, 1965 and annually thereafter, with interest on unpaid principal at the rate of 6-1/4% per annum.

Applicants' 1958 annual report shows revenues from warehouse operations at \$41,652 and from nonutility operations at \$1,142,216, with net income from all sources at \$50,153, before taxes on income. The report shows net investment in fixed assets at \$200,549 and long-term debt of \$60,000.

From a review of the application it appears that the operations should be ample to service the proposed note and we are of the opinion that the money, property or labor to be procured or paid for by the issue of said note is reasonably required for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Willard W. Pitman, Gino J. Petrucci and Raymond Petrucci, doing business as The Valley Grain Drier Company, on and after the effective date hereof and on or before December 31, 1959, may execute a deed of trust and may issue a note in the principal amount of not to exceed \$120,000, for the purpose of paying indebtedness and of financing the cost of additional facilities, which deed of trust and note shall be in, or substantially in, the same form as those filed in this proceeding.

2. Willard W. Pitman, Gino J. Petrucci and Raymond Petrucci, doing business as The Valley Grain Drier 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 applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$120.

Dated at San Francisco, California, this 28th day of July, 1959.

[Signature]
President
[Signature]
[Signature]

Commissioners

