

**ORIGINAL**

Decision No. 58839

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of

N. F. DAVIS DRIER AND ELEVATOR,  
a corporation

For an Order Authorizing and  
Ratifying the Execution and  
Assumption of Notes Payable  
More Than Twelve Months After  
the Date Thereof, and Deeds of  
Trust Securing the Same

Application No. 41303

OPINION AND ORDER

N. F. Davis Drier and Elevator, a corporation, has filed this application for approval of the issue of a note and deed of trust in the amount of \$42,396.75 and the assumption of indebtedness of \$63,900.

Applicant is engaged in farming activities and in the operation of public utility warehouse facilities in Fresno County.<sup>1/</sup> The application shows that during the latter part of 1958 and the early part of 1959, it undertook to expand its farming operations by the acquisition from East Side Ranch of approximately 62 acres of land at a cost of \$56,529 and by the

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<sup>1/</sup> According to Exhibit F, attached to the application, applicant's revenues from storage, handling and related activities amounted to \$156,345 for the period from May 1, 1958 to March 31, 1959, and its revenues from its farming operations amounted to \$281,561, with net income from all sources of \$31,815.

acquisition from Neville M. H. Knowles and Greta F. L. Knowles of approximately 355 acres of land at a cost of \$190,000. The arrangements provided for the payment to East Side Ranch of \$14,132.25 and the issue of a deed of trust and note for the balance of \$42,396.75, to be payable in annual installments of \$14,132.25, with interest at the rate of 5% per annum. The arrangements with the Knowles provided for a cash payment of \$126,100 and the assumption, by applicant, of outstanding indebtedness of \$63,900, which is represented by a note, secured by a deed of trust, to The Northwestern Mutual Life Insurance Company.

While the long-term debt thus incurred by applicant was for nonutility purposes, applicant, nevertheless, is a warehouseman as defined in the Public Utilities Code and, as such, is required to obtain from this Commission authorization to incur indebtedness payable over a period of more than twelve months. However, analysis indicates that applicant's operations have been successful, that its assets and earnings should be ample to support and service the indebtedness, and that the public utility storage operations will not be adversely affected by the incurring of the two items of indebtedness.

Upon the basis of the verified application, we will enter our order approving the application. We are 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 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. N. F. Davis Drier and Elevator, a corporation, is authorized to execute a deed of trust and to issue a note in the principal amount of not to exceed \$42,396.75, and to assume the payment of a deed of trust and note in the principal amount of not to exceed \$63,900 for the purpose of financing, in part, the acquisition of property as specified in this application.

2. N. F. Davis Drier and Elevator 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 N. F. Davis Drier and Elevator has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$43.

Dated at San Francisco, California, this 4th day of August, 1959.

[Signature]  
President

[Signature]

[Signature]

[Signature]

Commissioners

