

Decision No. 59370

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of

PORT OF STOCKTON GRAIN TERMINAL,
INC., A Corporation,

For An Order Authorizing the
Execution and Delivery by Applicant
of a Deed of Trust On Improved Real
Property of Applicant.

Application No. 41690

OPINION AND ORDER

This is an application for an order of the Commission authorizing Port of Stockton Grain Terminal, ^{1/} a corporation, to execute a deed of trust and to issue a note in the principal amount of \$250,000 to finance, in part, the cost of constructing a building and improvements to be used for non-utility purposes.

Applicant is engaged in business as a public utility warehouseman at Stockton, California. In addition, it reports that it has been engaging in the non-utility business of buying, selling and dealing in fabricated steel products at wholesale, under the firm name of Pacific Steel & Supply Co. In connection with its non-utility activities, applicant states that recently, it has purchased certain land in San Leandro, on which it proposes

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This is the exact name of the applicant, according to its Articles of Incorporation.

to erect a building, which, together with certain improvements, will necessitate its incurring an indebtedness of \$250,000.

The proposed borrowing will be represented by a \$250,000 note in favor of The Bank of California, National Association, payable in monthly installments of \$2,776 each, including interest at the rate of 6% per annum. Such note will be secured by a deed of trust on the improved real property in San Leandro.

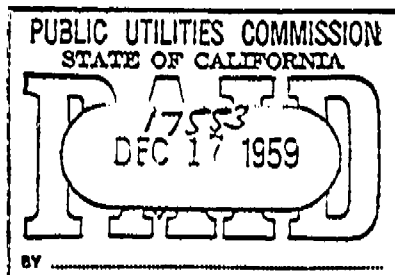
It appears that the property to be encumbered by the proposed deed of trust will not be necessary or useful in the performance of applicant's duties to the public and, therefore, pursuant to provisions of Section 851 of the Public Utilities Code, no authorization from this Commission is required for the execution of said deed of trust. On the other hand, although the note proceeds will be expended entirely for non-utility purposes, Sections 817 and 818 of the Public Utilities Code require authority from this Commission before applicant may issue the \$250,000 note, and it appears that the indebtedness will have no adverse effect on the performance of applicant's duties to the public.

The Commission has considered this matter and is 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 by applicant 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. Port of Stockton Grain Terminal, a corporation, on and after the effective date hereof and on or before March 31, 1960, may issue a note in the principal amount of not to exceed \$250,000 for the purpose set forth in this application, which note shall bear interest at the rate of not to exceed 6% per annum and shall be in, or substantially in, the same form as that attached to the application as Exhibit A.
2. Within 30 days after issuing the note herein authorized, applicant shall file with the Commission a copy thereof as actually issued.
3. This application, insofar as it requests authority to execute a deed of trust, is dismissed for want of jurisdiction.
4. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$250.

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



[Signature]
President
[Signature]
[Signature]
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Commissioners