

ORIGINAL

Decision No. 59627

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

Application No. 41848

For an Order Authorizing the
Execution of a Note payable More
than Twelve Months After the
Date Thereof, and A Deed of
Trust Securing said Note

OPINION AND ORDER

This is an application for an order of the Commission authorizing N. F. Davis Drier and Elevator, a California corporation, to execute a deed of trust and to issue a promissory note in the principal amount of \$57,860.40.

Applicant is engaged in farming activities and in the operation of public utility warehouse facilities in Fresno County. According to the latest annual report filed with this Commission, applicant's revenues from its public utility operations amounted to \$23,157 for the period from April 1, 1958 to March 31, 1959, and revenues from its nonutility business amounted to \$414,750, with a net income from all sources of \$31,815.

Applicant desires to purchase certain farm land adjoining its present holdings and plans to use the property for farming purposes. Applicant is of the opinion that the acquisition will

provide additional income and net profit to the corporation, will make its financial position stronger, and will insure its ability to carry out its public utility functions.

The land is to be acquired from the sellers, Frank Yoshiyama and Sumako Yoshiyama, at an agreed purchase price of \$81,493.50. Applicant proposes to make a cash payment of \$23,633.10 and to issue to the sellers a promissory note for the balance of \$57,860.40, payment of which is to be secured by the execution of a deed of trust on the property. The proposed note will be payable in annual installments of \$5,786.04 or more on the principal, plus interest at the rate of 5-1/2 per cent per annum.

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 nonutility purposes, Sections 817 and 818 of the Public Utilities Code require authority from this Commission before applicant may issue the note in the amount of \$57,860.40. It further appears that the indebtedness will have no adverse effect on the ability of applicant to carry on its 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. N. F. Davis Drier and Elevator, a corporation, on and after the effective date hereof and on or before June 30, 1960, may issue a note in the principal amount of not to exceed \$57,860.40 for the purpose set forth in this application, which note 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 N. F. Davis Drier and Elevator has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$58.

Dated at San Francisco, California,
this 9th day of FEBRUARY, 1960.

Ernest W. Long
President
W. E. Sperry
Michael J. Dwyer
Theodore J. Dwyer
Commissioners

