

ORIGINAL

Decision No. 59993

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 D. S. ADAMS, D. Q. ADAMS, D. Q.
 ADAMS, JR., W. W. ADAMS, W. W.
 ADAMS, JR., ELIZABETH ADAMS McCLURE
 and MARGARET ADAMS DALLAM, doing
 business as ADAMS, SCHWAB & ADAMS
 WAREHOUSE COMPANY, for an order
 authorizing execution of evidence
 of indebtedness, and encumbrance
 of public utility property.

Application No. 42146

OPINION AND ORDER

D. S. Adams, et al, applicants herein, are partners doing business as Adams, Schwab & Adams Warehouse Company, and, as such, are engaged in the public utility warehouse business at Dunnigan and Woodland. On April 14, 1960, they filed the above-entitled application for authorization to execute a deed of trust and mortgage of chattels and to issue a note in the principal amount of \$125,000 in order to finance the cost of property as follows:

- | | | |
|-----|---|------------------|
| (1) | New steel and concrete structure on east side of Dunnigan elevator, with a capacity of approximately 3,000 tons of grain, to cost approximately | \$ 25,000 |
| (2) | New Butler steel and concrete structure at Woodland, with a capacity of 3,500 tons of wheat, to cost | 25,000 |
| (3) | Rolled barley mill at Woodland, with a capacity of 150 tons per day, to cost | <u>75,000</u> |
| | Total | <u>\$125,000</u> |

The proposed note will be issued to Crocker-Anglo National Bank and will be payable in annual installments of \$12,500 each, with interest on the unpaid principal at the rate of 6-1/2% per annum. A copy of the proposed note has been filed as Exhibit B, a copy of the deed of trust and a copy of the proposed mortgage of chattels, as Exhibit C.

Applicants' financial statements which are attached to the application show that during the year ended April 30, 1959, their total income amounted to \$357,363 and their net income to \$37,983, after making deductions for depreciation in the amount of \$96,388. The statements indicate the financial condition of the business, as of April 30, 1959, as follows:

<u>Assets</u>		
Current assets -		
Cash	\$ 5,540	
Accrued storage	10,846	
Unexpired insurance	694	
Total current assets	<u>17,080</u>	
Less - Accounts payable	7,840	
Net current assets		\$ 9,240
Property and equipment, less reserves		<u>815,441</u>
Total		<u>\$824,681</u>
 <u>Liabilities and Capital</u> 		
Installment notes		\$312,696
Due to Adams, Schwab & Adams		54,967
Proprietary capital		<u>457,018</u>
Total		<u>\$824,681</u>

From a review of the application, it appears that applicants' earnings should be ample to support and to service the proposed note and that their financial position is adequate

to warrant an order authorizing the issue of said note. We are of the opinion, therefore, and so find, 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 purposes specified herein; that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and that the application should be granted by an ex parte order; therefore,

IT IS HEREBY ORDERED as follows:

1. D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, W. W. Adams, Jr., Elizabeth Adams McClure and Margaret Adams Dallam, doing business as Adams, Schwab & Adams Warehouse Company, on or after the effective date hereof and on or before September 30, 1961, may issue a note in the principal amount of not to exceed \$125,000 for the purposes specified herein and may execute a deed of trust and a mortgage of chattels, which note, deed of trust and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding.

2. D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, W. W. Adams, Jr., Elizabeth Adams McClure and Margaret Adams Dallam 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 \$125.

Dated at San Francisco, California, this 26th day of April, 1960.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners

