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**ORIGINAL**

Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

LE GRAND ELEVATOR ASSOCIATION

for Order Authorizing the  
Encumbrance of Applicant's Property

Application No. 43598  
Filed July 13, 1961

OPINION AND ORDER

Le Grand Elevator Association, applicant herein, is a California corporation which is engaged in sales and related mercantile activities in Le Grand, California, and, to a small extent from time to time, in public utility warehouse operations. <sup>1/</sup> In this application, it seeks authorization to execute a deed of trust and mortgage of chattels and to issue a note in the principal amount of \$30,000.

The note will be payable in equal, successive annual installments of \$3,000, with interest on the unpaid balance of principal at the rate of 6% per annum. The purpose of the issue is to provide applicant with funds to discharge presently outstanding indebtedness of \$15,000 and to replenish and augment its working capital which it asserts was depleted on account of payments on equipment.

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<sup>1/</sup> In 1960, Le Grand Elevator Association reported revenues from nonutility operations of \$291,923 and no revenues from public utility storage operations during the year.

A review of applicant's financial statements indicates that applicant's volume of business has been increasing year by year requiring substantial investments in accounts receivable and inventories; that applicant has financed itself primarily with proprietary capital; and that its earnings, on the basis of past recorded results of operations, should be ample to service the proposed borrowing.

We find and conclude that the application should be granted; 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 purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED -

1. Le Grand Elevator Association, on or after the effective date hereof and on or before December 31, 1961, may execute a deed of trust and a mortgage of chattels in, or substantially in, the same form as those filed in this proceeding as Exhibit B and Exhibit C, respectively, and may issue a promissory note in the principal amount of not to exceed \$30,000 in the form and for the purposes set forth in this application.

2. Le Grand Elevator Association 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 shall become effective when Le Grand Elevator Association has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California,  
this 1st day of August, 1961.

[Signature]  
President

[Signature]

[Signature]

George T. Deaver

Frederick B. Hallock  
Commissioners

