

ORIGINAL

65319

Decision No. _____

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 the
Execution of a Note Payable
More Than Twelve Months After
the Date Thereof, and of a
Deed of Trust Securing Said
Note

Application No. 45330
Filed April 11, 1963

O P I N I O N

N. F. Davis Drier and Elevator, a corporation, has filed this application for authorization to execute a deed of trust and to issue a note in the principal amount of \$1,000,000.

The company is engaged in farming activities in central California and in operating as a public warehouseman. It has financed itself, in part, according to the application, with common stock and surplus in the amount of \$744,513 as of March 31, 1962, and with notes and other long-term indebtedness in the amount of \$399,184. Its income for its fiscal year ended March 31, 1962, included \$611,407 from farming activities and \$231,392 from storage, drying, handling and related operations, with total net income of \$82,342.

It appears that the company now desires to expand its farming business and that it proposes to purchase from Yosemite Land & Cattle Company and C. H. M. Company 1,373.52 acres of farm land in Merced County for the purchase price of \$583,746. It has made arrangements to borrow \$1,000,000 from The Northwestern Mutual Life Insurance Company to finance the acquisition, to consolidate the existing indebtedness of \$399,184 and to augment working cash. The borrowing will be represented by a note payable in twenty annual installments of \$40,000, commencing January 1, 1964, and \$200,000 payable twenty years after the date of the note, with interest on unpaid principal at the rate of 5-3/4% per annum.

From a review of the application, it appears that the proposed financing should not interfere with applicant's ability to meet its public service obligations and we find 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.

O R D E R

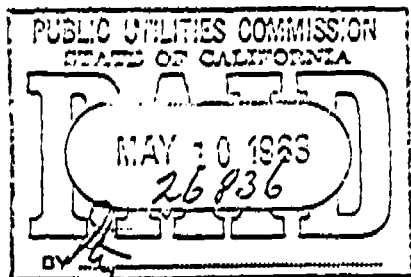
IT IS ORDERED that:

1. N. F. Davis Drier and Elevator, a corporation, on or after the effective date hereof and on or before December 31, 1963, may execute a deed of trust in the same form, or in substantially the same form, as that annexed to the application as Exhibit D, and may issue a note in the principal amount of \$1,000,000 under the terms and for the purposes set forth in this application.

2. N. F. Davis Drier and Elevator, a corporation, 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 N. F. Davis Drier and Elevator has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at Los Angeles, California,
this 7th day of May, 1963.



George G. Thayer
President
William W. Bennett
Frederic B. Halberstam

Commissioners

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.