

ORIGINAL

66561

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of FARMERS' RICE COOPERATIVE, a corporation for an order authorizing the issuance of promissory notes and for an order authorizing the encumbrance of its property as security for such notes.

Application No. 46059
Filed December 27, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Farmers' Rice Cooperative to execute a supplemental indenture and to issue promissory notes in the aggregate principal amount of \$700,000 for the purpose of obtaining funds to finance the purchase from Harold T. Thrash and Merle P. Brooks of a warehouse and storage bins located at the Port of Sacramento.

Farmers' Rice Cooperative operates as a public utility warehouseman in Colusa County. It is engaged primarily in the nonutility activity of selling rice and rice products. By Decision No. 59141, dated October 13, 1959, in Application No. 41464 as confirmed by Decision No. 66044, dated September 24, 1963, in Application No. 45722, the Commission exempted applicant from the provisions of Article 5, Chapter 4, Part 1, Division 1 of the Public Utilities Code, thus enabling Farmers' Rice Cooperative to issue notes, among other things, without obtaining any authorization to do so from this Commission.

Applicant occupies under lease the facilities which it proposes to purchase for \$700,000 and reports that its present intention is to utilize the space for storing rice of its members. In addition to encumbering the property proposed to be acquired, the proposed supplemental indenture will apply to other non-utility property as well as to public utility property of applicant.

The Commission has considered this matter and finds that (1) said Decision No. 59141 exempts applicant from the provisions of the Public Utilities Code requiring it to obtain authorization to issue notes, and (2) the proposed supplemental indenture would not be adverse to the public interest. Based upon these findings we conclude that (a) the application, insofar as it seeks authority to issue notes, should be dismissed because of the exemption heretofore granted, and (b) applicant should be authorized to execute a supplemental indenture encumbering property including that which is necessary or useful in the performance of its duties to the public. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Farmers' Rice Cooperative may execute a Second Supplemental Indenture of Mortgage and Deed of Trust in the same form, or in substantially the same form, as that attached to the application as Exhibit C.

2. Application No. 46059, insofar as it seeks authority to issue notes, is hereby dismissed.

3. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 30th day of DECEMBER, 1963.

William W. Bennett
 President

Elliott C. Page

George L. Hoover

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.