

ORIGINAL

Decision No. 69429

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of RIVERSIDE ELEVATORS, a)
corporation, for authority to)
borrow money and execute loan)
papers.)

Application No. 47660
Filed June 11, 1965

O P I N I O N

Riverside Elevators, a California corporation, has filed this application requesting authorization from the Commission to execute a deed of trust and a security agreement, and to issue a promissory note in the principal amount of \$600,000.

The application shows that the company operates as a public utility warehouseman engaged in the bulk storage and handling of grain and other commodities near the City of Isleton, Sacramento County. By Decision No. 69260, dated June 22, 1965, in Application No. 47625, the Commission authorized Island Elevators, a wholly-owned subsidiary of applicant, to transfer to the parent company a prescriptive operative right and other assets pertaining to public utility warehouseman operations on Ryer Island in Solano County.

The balance sheet, filed in this proceeding as part of Exhibit D, indicates that as of March 31, 1965 applicant's total assets of \$1,353,549 were offset, in part, by short-term

bank notes and accounts payable amounting to \$459,423 and \$300,152, respectively. Other liabilities shown in said balance sheet aggregated \$124,550, which amount includes a \$68,000 balance outstanding on indebtedness previously authorized by this Commission. Applicant's reported common stock equity totaled \$469,424 on March 31, 1965. The corporation's annual report for the fiscal year ended May 31, 1964 discloses \$367,309 gross revenues and \$27,540 net income. Island Elevators' latest annual report on file with the Commission, being for the fiscal year ended May 31, 1964, shows said company's gross revenues as amounting to \$157,299 and net income to \$22,121.

In this proceeding Riverside Elevators requests authority to issue a \$600,000 promissory note in favor of Wells Fargo Bank. Said note will be secured by a deed of trust and a security agreement and will be repayable in quarterly installments of \$20,056.20, including interest at the rate of 6% per annum. Applicant proposes to apply the note proceeds toward (a) repayment of the \$68,000 balance remaining on said previously authorized indebtedness, (b) liquidation of its short-term bank loans and (c) reducing its accounts payable.

The application shows that the company possesses the ability to make the required payments of principal and interest on the contemplated note without impairing its financial position.

The Commission has considered this matter and finds that: (1) the proposed note issue is for proper purposes; (2) 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; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed deed of trust and security agreement would not be adverse to the public interest.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The authorization herein given is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Riverside Elevators, on or after the effective date hereof and on or before September 30, 1965, may execute a deed of trust and a security agreement and may issue a promissory note in the principal amount of not to exceed \$600,000 for the purposes specified in this proceeding. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.

