

ORIGINAL

Decision No. 69432

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of CHESTER I. WOLCOTT, sole)
owner, doing business as)
WILLOWS RICE DRIER & STORAGE)
COMPANY, for authority to issue)
secured promissory notes or)
other evidence of indebtedness)
payable at periods of more than)
twelve months after the date)
thereof.)

Application No. 47704
Filed June 25, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Chester I. Wolcott, doing business as Willows Rice Drier & Storage Company, to execute a deed of trust, security agreement and financing statement, and to issue two promissory notes in the aggregate principal amount of \$150,000.

Applicant is engaged in business as a public utility agricultural warehouseman at Willows, Glenn County, pursuant to the prescriptive operative right set forth in Case No. 6930, dated August 30, 1960. Applicant also operates the nonutility business of grain drier in conjunction with his utility activity.

The annual report of applicant for the fiscal year ended September 30, 1964 shows net investment in fixed assets of \$173,783, and that total assets of \$177,243 were offset by proprietorship capital of \$17,426 and liabilities of \$159,817.

The liabilities include a \$120,000 balance outstanding on an indebtedness previously authorized by this Commission. Said annual report also shows applicant's gross revenues as \$114,367 and net income as \$32,230.

Applicant proposes to issue two promissory notes, one in favor of The Bank of California, National Association, in the principal amount of \$110,000 and the other in favor of The First National Bank of Willows in the principal amount of \$40,000. Said notes will be repayable in annual installments of \$14,945.70 and \$5,434.80, respectively, which installments will include repayment of principal, together with interest at 6% per annum on the unpaid balances.

Chester I. Wolcott proposes to use the proceeds of the notes to be issued to (a) discharge the \$120,000 balance outstanding on the previously authorized indebtedness, (b) discharge the \$20,348.91 balance outstanding on an unsecured demand promissory note, and (c) provide \$9,651.09 to be used as working capital. Applicant states that by refinancing, annual payments can be reduced from \$30,000 plus interest charges to a total of \$20,380.50. He asserts that such refinancing will enable him to make necessary repairs and improvements in and about the drier and storage facilities, as well as to replace and supplement needed tools and equipment from operating income.

The Commission has considered this matter and finds that: (1) the proposed note issues are for proper purposes; (2) the money, property or labor to be procured or paid for by the issue of the notes 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. Chester I. Wolcott may execute a deed of trust and security agreement, may execute and file a financing statement as required by the Uniform Commercial Code of California, and may issue two notes in the aggregate principal amount of not to exceed \$150,000 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.

2. Chester I. Wolcott shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Chester I. Wolcott has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$30.

Dated at San Francisco, California,
this 17th day of JULY, 1965.

Frederick B. Holcluff
President
George T. Hoover
Augustus

Commissioners

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

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

