

**ORIGINAL**

Decision No. 69434

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of )  
 )  
HI AND DRY WAREHOUSE, INC., )  
 a corporation, )  
 )  
 for authority to borrow money on )  
 promissory note and to enlarge )  
 warehouse space. )  
 \_\_\_\_\_ )

Application No. 47727  
Filed July 7, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Hi and Dry Warehouse, Inc. to execute a deed of trust, to issue a promissory note in the principal amount of \$100,000, and to enlarge its warehouse space.

Applicant is engaged in business as a public utility agricultural warehouseman at Marysville, Yuba County, and Sutter, Sutter County, pursuant to the prescriptive operative right set forth in Case No. 6843, dated August 16, 1960. Applicant is also engaged in related nonutility activities.

The financial statements attached to the application show that as of May 31, 1965 applicant's net investment in fixed assets was \$476,477, and that its total assets of \$532,703 were offset by equity of \$145,158 and liabilities of \$387,545. The statements also show that applicant's gross revenues were \$346,540 and that its net income was \$12,422 for the fiscal year.

The application shows the proposed space enlargement at Sutter will cover a total of approximately 11,000 square feet of floor capacity. Section 1051 of the Public Utilities Code requires that a certificate of public convenience and necessity be obtained from the Commission to increase storage or warehouse floor space by more than 50,000 square feet. If applicant desires to increase its storage or warehouse floor space to more than the amount which it possesses by its prescriptive operative right and the expansion permissible under Section 1051 of the Public Utilities Code, it should file an appropriate application for a certificate of public convenience and necessity accompanied by the \$50 filing fee prescribed by Section 1904(a) of the Public Utilities Code.

Applicant proposes to issue a promissory note in favor of Crocker-Citizens National Bank in the principal amount of \$100,000 repayable in ten equal annual installments, including interest at the rate of 6% per annum on the unpaid balances.

The company proposes to use the proceeds of said note to finance the cost of constructing ten cylindrical steel tanks or bins on its premises located at Sutter, California. It appears that the new facilities will provide more space to meet the needs of farmers and agriculturalists in the area for the storing and processing of rice, beans and other agricultural commodities, and that said space will not exceed the amount permitted by Section 1051 of the Public Utilities Code.

The Commission has considered this matter and finds that: (1) the proposed note issue is for a proper purpose; (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 purpose specified herein; (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; (4) the proposed deed of trust would not be adverse to the public interest; and (5) good cause appears for dismissing without prejudice that portion of the application pertaining to enlargement of warehouse space.

On the basis of these findings we conclude that the application should be (a) dismissed without prejudice insofar as it seeks authority to enlarge warehouse space and (b) granted in all other respects. 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. Hi and Dry Warehouse, Inc. may execute a deed of trust and may issue a note in the principal amount of not to exceed \$100,000 for the purpose 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. Hi and Dry Warehouse, Inc. 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. The application insofar as it seeks authority to enlarge warehouse space is dismissed without prejudice.

4. This order shall become effective when Hi and Dry Warehouse, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$100.

Dated at San Francisco, California, this 27th day of July, 1965.

Frederick B. Holdhoff  
President  
George E. Grover  
Auguston

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.

