

ORIGINAL

Decision No. 69612

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

-of-

SUTTER BASIN GROWERS COOPERATIVE,
a California Corporation,

for an order authorizing it to
borrow money

Application No. 47796
Filed August 9, 1965

O P I N I O N

Sutter Basin Growers Cooperative has filed this application requesting authorization from the Commission to execute a Deed of Trust and a Security Agreement and to issue a note in the principal amount of \$225,000.

Applicant is a California corporation engaged in business as a public utility warehouseman in Knights Landing and vicinity pursuant to prescriptive operative rights determined by this Commission. In addition it is engaged in certain nonutility activities including the drying of rice. The utility's balance sheet dated May 31, 1965, attached to the application as part of Exhibit D, shows total assets of \$779,082 offset by current and long-term liabilities amounting to \$22,930 and \$297,007, respectively, and by members' equity totaling \$459,145. The income statement for the fiscal year ended May 31, 1965, included in said Exhibit D, indicates gross revenues of \$291,189 and net income of \$73,106.

According to the application, the corporation has recently commenced construction of a new building which will contain a rice drying facility and space for flat storage of rice. Applicant asserts such construction will permit further growth of its business and that existing and additional storage space will not exceed the 50,000 square feet of expansion permissible under the Public Utilities Code.

To provide funds to meet its construction requirements, the utility requests authority to issue a \$225,000 note in favor of the Berkeley Bank for Cooperatives. Said note will be repayable in four annual installments of \$50,000 each, beginning in 1972 and a final installment of \$25,000 in 1976. Interest on the unpaid principal will be payable quarterly at the rate of 5 $\frac{1}{2}$ % per annum, and the indebtedness evidenced by the note will be secured by a Deed of Trust and a Security Agreement. Applicant proposes to use the proceeds for purposes of (a) financing construction of its new building which it estimates will cost \$207,900, (b) acquiring land and equipment at a total cost of \$8,000, and (c) increasing working capital by approximately \$9,100.

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 will 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 granted 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. Sutter Basin Growers Cooperative, on or after the effective date hereof and on or before December 31, 1965, may execute a Deed of Trust and a Security Agreement, and may issue a note in the principal amount of not to exceed \$225,000 for the purposes specified in the application. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Sutter Basin Growers Cooperative 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 Sutter Basin Growers Cooperative has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$225.

Dated at San Francisco, California, this 21st day of AUGUST, 1965.

[Signature] President
George J. Hoover
August
William W. Smith Commissioners

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

