

Decision No. 71914

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
 )  
 of )  
 )  
 N. F. DAVIS DRIER AND ELEVATOR, )  
 )  
 A California corporation. )  
 )  
 Application for an Order )  
 authorizing the execution of a )  
 note payable more than twelve )  
 months after the date thereof )  
 and a Deed of Trust securing )  
 said note. )  
 )

Application No. 49054  
Filed December 27, 1966

O P I N I O N

This is an application for an order of the Commission authorizing N. F. Davis Drier and Elevator to execute a Deed of Trust and to issue a \$170,000 promissory note in connection with the purchase of land.

Applicant, a California corporation, engages in public utility warehouse and related activities in Fresno County and also conducts farming operations. For the fiscal year ended March 31, 1966, applicant reports total revenues of \$1,209,311, including \$55,133 derived from the public utility warehouse, and a net income of \$93,218 from all its operations.

The application shows that the company plans to purchase approximately 640 acres of farm land in Merced County for a total consideration of \$225,000. Applicant states that its business operations are dependent to some extent on access to and control of rice, and that said land is suitable for growing rice.

To finance part of the acquisition, applicant proposes to borrow \$170,000 from Connecticut General Life Insurance Company and to issue a promissory note, secured by a Deed of Trust, as evidence of such borrowing. The note will bear interest at the rate of 6-3/4% per annum payable annually, and principal on said note will be repayable in equal annual installments of \$5,000 each, with any unpaid balance to become due and payable on January 1, 1987.

The Commission has considered this matter and finds that: (1) the proposed note issue is for a proper purpose; (2) the proposed indebtedness will have no adverse effect on the ability of applicant to carry on its public utility functions; (3) 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; (4) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and (5) the proposed Deed of Trust will not encumber property necessary or useful in the performance of applicant's duties to the public as contemplated by Section 851

of the Public Utilities Code. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be (a) dismissed for lack of jurisdiction, insofar as it seeks authority for the execution of a Deed of Trust, and (b) granted in all other respects. The authorization herein granted is for the purpose of this proceeding only and 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. N. F. Davis Drier and Elevator, on or after the effective date hereof and on or before April 30, 1967, for the purpose specified in this proceeding, may issue a promissory note in the principal amount of not to exceed \$170,000. Said note shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit C.

2. N. F. Davis Drier and Elevator 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 application, insofar as it seeks authorization for the execution of a Deed of Trust, is dismissed.

4. This order shall become effective when N. F. Davis Drier and Elevator has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$170.

Dated at San Francisco, California,  
this 24th day of JANUARY, 1967.

[Signature]  
President

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner WILLIAM SYMONS, JR. did not participate in the disposition of this proceeding.

