

**ORIGINAL**

Decision No. 73254

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of VALLEY GRAIN DRIER, INC., a )  
corporation, for an order )  
authorizing it to borrow money )  
and encumber public utility )  
property. )  
\_\_\_\_\_ )

Application No. 49720  
Filed October 10, 1967

O P I N I O N

This is an application for an order of the Commission authorizing Valley Grain Drier, Inc. to issue a \$400,000 note and to execute and deliver certain documents pertaining to security for said note.

Applicant is a California corporation engaged in the public utility warehouse business and other activities in Madera County. The company's balance sheet dated as of May 31, 1967, attached to the application as a part of Exhibit G, discloses total assets of \$1,726,793 offset by current and long-term liabilities amounting to \$1,021,290 and \$310,583, respectively, and by common stock equity of \$394,920. For the fiscal year ended August 31, 1966, applicant reported public utility operating revenues of \$11,288 and nonutility revenues of \$2,417,506.

According to the application, the company's long-term liabilities include a \$275,000 balance outstanding on a previously authorized note in favor of The Northwestern Mutual

Life Insurance Company, which note is secured by a Deed of Trust. Applicant plans to discharge the \$275,000 indebtedness plus the related interest accrued since July 1, 1967, and to obtain additional funds for financing the construction of storage facilities consisting of an 8 x 200 foot tilt-up concrete structure with a capacity of 10,400 tons for grain storage, together with related work.

In order to obtain the necessary funds the company requests authority to issue a note in the principal amount of \$400,000 in favor of The Northwestern Mutual Life Insurance Company repayable in thirteen annual installments of \$30,400 each and a final installment of \$4,800. Interest on the unpaid principal will be payable semi-annually at the rate of 6-1/2% per annum. A copy of the proposed note is attached to the application as Exhibit A.

In addition to the previously authorized Deed of Trust, the \$400,000 note will be secured by a Supplemental Deed of Trust, a Declaration of Open-End Advance Under Deed of Trust, an Assignment of Life Insurance Policy as Collateral, and a Financing Statement, copies of which are attached to the application as Exhibits B, C, D and E, respectively.

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, except as otherwise authorized for accrued interest, are not,

in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed documents will not be adverse to the public interest. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. 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, nor as permitting applicant to have any long-term indebtedness in addition to that herein authorized.

O R D E R

IT IS ORDERED that:

1. Valley Grain Drier, Inc., on or after the effective date hereof and on or before March 31, 1968, for the purposes specified in this proceeding, may issue a note in the principal amount of not exceeding \$400,000 and may execute and deliver certain security documents, which shall be in the same form, or in substantially the same form, as Exhibits A to E, inclusive, attached to the application.

2. Valley Grain Drier, 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. This order shall become effective when Valley Grain Drier, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$125.

Dated at San Francisco, California, this 17<sup>th</sup> day of OCTOBER, 1967.

*[Signature]*  
President

*[Signature]*

*[Signature]*

*[Signature]*  
Commissioners

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

