

Decision No. 74482

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DAVID S. ADAMS, )  
 ESTATE OF W. W. ADAMS, ESTATE OF )  
 D. Q. ADAMS, LORALEE S. PINGER, )  
 E. A. McCANDLESS, MARGARET ADAMS )  
 DALLAM, WILLIAM O. ADAMS, NANCY )  
 ADAMS BLOOM and ELIZABETH ADAMS )  
 PEABODY, co-partners, doing )  
 business as ADAMS, SCHWAB & )  
 ADAMS WAREHOUSE COMPANY, for an )  
 order authorizing the borrowing )  
 of money and the encumbrance of )  
 real and personal property. )

Application No. 50396  
Filed July 17, 1968

O P I N I O N

This is an application for an order of the Commission authorizing David S. Adams, Estate of W. W. Adams, Estate of D. Q. Adams, Lorelee S. Pinger (formerly Lorelee S. Adams), Elizabeth Adams McCandless (formerly Elizabeth Adams McClure), Margaret Adams Dallam, William O. Adams, Nancy Adams Bloom and Elizabeth Adams Peabody, co-partners, doing business as Adams, Schwab & Adams Warehouse Company, to issue a note in the principal amount of not exceeding \$550,000, and to execute and deliver a Deed of Trust and a Security Agreement.

Applicants conduct public utility warehouseman operations at Dunnigan and Woodland. For the fiscal year ended April 30, 1968, they report public utility and nonutility operating revenues of \$161,151 and \$343,192, respectively, and a net income of \$60,114. The April 30, 1968 balance sheet of the partnership is summarized as follows:

Assets

Investment assets - net	\$1,023,179
Current assets	<u>43,169</u>
Total	<u>\$1,066,348</u>

Equity and Liabilities

Proprietary capital	\$ 537,710
Long-term debt	223,199
Current and accrued liabilities	<u>305,439</u>
Total	<u>\$1,066,348</u>

Pursuant to authority granted by Decision No. 62645, dated October 10, 1961, in Application No. 43738, the co-partners of a predecessor partnership issued a \$500,000 note, of which the outstanding balance as set forth in this application is \$209,749.79 in favor of Wells Fargo Bank. Applicants propose to issue a \$550,000 note in favor of said bank for the purposes of refunding the \$209,749.79 bank obligation, and obtaining funds for repaying an affiliate in the sum of \$289,687.89 used for improving facilities, and obtaining working capital in the amount of \$50,562.32. The note will be secured by a Deed of Trust and a

Security Agreement, and will be repayable in monthly installments of \$5,600 including interest computed at the rate of 7% per annum on unpaid principal.

After consideration the Commission 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 these findings we conclude that the application should be granted. A public hearing is not necessary.

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. David S. Adams, Estate of W. W. Adams, Estate of D. Q. Adams, Lorelee S. Pinger, Elizabeth Adams McCandless, Margaret Adams Dallam, William O. Adams, Nancy Adams Bloom and Elizabeth Adams Peabody, on or after the effective date hereof and

on or before October 31, 1968, for the purposes specified in this proceeding, may issue a note in the principal amount of not exceeding \$550,000, and may execute and deliver a Deed of Trust and a Security Agreement. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Applicants 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 applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$341.

Dated at San Francisco, California,  
this 6<sup>th</sup> day of AUGUST, 1968.

William J. Lyons, Jr.  
President  
Ed. Mitchell  
William A. Bennett  
August  
Fred P. Moussey  
Commissioners

