

ORIGINAL

Decision No. 74778

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of FARMERS ALLIANCE BUSINESS)
ASSOCIATION for authority to)
issue Deed of Trust on its)
property and Security Agreement)
on its equipment at Paso Robles)
to a total amount of \$120,000.00)
for the purpose of re-financing)
notes now due on demand.)

Application No. 50553
Filed September 18, 1968

O P I N I O N

This is an application for an order of the Commission authorizing Farmers Alliance Business Association to execute and deliver a Deed of Trust and a Security Agreement, and to issue a note in the principal amount of \$120,000.

Applicant is a California corporation operating as a public utility warehouseman at Paso Robles. For the year 1967 it reports public utility and nonutility operating revenues of \$31,052 and \$224,130, respectively, and a net income of \$3,435 after deducting \$33,071 for plant and office depreciation expenses.

The application shows that in order to obtain \$120,000 of working capital applicant issued a like amount of demand notes in favor of Bank of America National Trust and Savings Association, that such notes are presently outstanding, and that the bank has agreed to place the indebtedness on a long-term basis using a Deed of Trust and a Security Agreement as security.

The proposed note will require applicant to repay said

\$120,000 in 120 monthly installments of \$1,455.96, which installments will include interest computed at the rate of 8% per annum on decreasing balances of principal.

After consideration the Commission finds that: (1) the proposed note 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; 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 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. Farmers Alliance Business Association, on or after the effective date hereof and on or before December 31, 1968, for the purpose specified in this proceeding, may issue a note in the principal amount of not exceeding \$120,000, 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. Farmers Alliance Business Association 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 Farmers Alliance Business Association has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$120.

Dated at Los Angeles, California, this 8th day of OCTOBER, 1968.

William Synors, Jr.
President

Ed E. [unclear]

Admiral [unclear]

[unclear]

John P. Morrey
Commissioners

