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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
)
 of)
)
 TERHEL FARMS DRIER & STORAGE CO.,)
 a corporation,)
)
 for an order authorizing it to)
 borrow money and execute its)
 promissory note to Wells Fargo)
 Bank and to secure the same by)
 a Deed of Trust upon property)
 owned by Applicant.)
 _____)

Application No. 51174
Filed June 17, 1969

O P I N I O N

Terhel Farms Drier & Storage Co. requests an order of the Commission authorizing it to issue a promissory note in the principal amount of \$120,000 and to execute and deliver a deed of trust.

Applicant is a California corporation engaged in the business of drying barley, wheat, rice and other grains, and operating a public utility warehouse in Colusa County. For the fiscal year ended May 31, 1969, the company reports total revenues and net income of \$186,275 and \$11,220, respectively. The balance sheet dated May 31, 1969, attached to the application as a part of Exhibit B, shows total assets of the applicant amounting

to \$347,827 offset by liabilities and stockholders' equity in respective amounts of \$144,983 and \$202,844.

By Decision No. 74109, dated May 14, 1968, in Application No. 50219, the Commission authorized applicant herein to issue a note in the principal amount of not exceeding \$110,825. The company reports that the principal balance due on said note is \$85,000, which it proposes to repay from a portion of the proceeds to be derived from issuing a \$120,000 note, and that the remaining \$35,000 of proceeds will be expended for plant improvements and additions.

The \$120,000 note will be in favor of Wells Fargo Bank, will be secured by a deed of trust, and will be repayable as to principal in six annual installments of \$17,000 each and a final installment of \$18,000. Interest on unpaid principal will be added to each installment at the rate of 1-1/4% per annum above the prime interest rate determined from time to time by the Federal Reserve Bank, San Francisco, California.

After consideration the Commission finds that: (1) the proposed note 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 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. Terhel Farms Drier & Storage Co., on or after the effective date hereof and on or before December 31, 1969, for the purposes specified in this proceeding, may issue a promissory note in the principal amount of not exceeding \$120,000, and may execute and deliver a deed of trust. The note and deed of trust shall be in the same form, or in substantially the same form, as those attached to the application as Exhibit C and Exhibit D, respectively.

2. Terhel Farms Drier & Storage Co. 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 Terhel Farms Drier & Storage Co. has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$35.

Dated at San Francisco, California,
this 8th day of JULY, 1969.

William J. ...
President
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...
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
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