

Decision No. 79495

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SACRAMENTO RIVER WAREHOUSE)
COMPANY for an Order Authorizing)
Execution of Promissory Note and)
Deed of Trust)

Application No. 52965
Filed November 2, 1971
and Amendment
Filed December 6, 1971

O P I N I O N

Sacramento River Warehouse Company seeks an order of the Commission authorizing it to issue a \$135,000 note, and to execute a Deed of Trust.

Applicant is a California corporation operating as a public utility warehouseman in Colusa County. In addition, it is engaged in various nonutility activities. At September 30, 1971, it reports total assets of \$2,455,304, offset by liabilities and common stock equity in the respective amounts of \$1,442,948 and \$1,012,356.

In connection with the purchase of facilities formerly under lease, the company reports that, through oversight, it failed to obtain authorization to assume long-term indebtedness, the outstanding balance of which is expected to amount to \$37,023 at December 31, 1971. In addition, applicant reports the inadvertent issuance of a long-term note on July 14, 1970 for the purchase of equipment without obtaining authorization, the balance of which note is expected to be \$5,165 at December 31, 1971.

The utility proposes to issue a \$135,000 note in favor of Bank of America National Trust and Savings Association, and to apply the proceeds toward (a) repaying authorized and unauthorized indebtedness amounting to \$36,247 and \$42,188, respectively, (b) financing \$46,700 of additions and betterments, and (c) increasing working capital by \$9,865.

The new note would be repayable in 180 monthly installments of \$1,369.28 including interest at the rate of 9% per annum, and would be secured by a proposed Deed of Trust. The application, as amended, shows that the proposed note would have the effect of reducing payments annually from \$77,744.28 to \$16,431.36.

After consideration the Commission finds that:

1. The proposed Deed of Trust would not be adverse to the public interest.
2. The proposed note issue is for proper purposes.
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 purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application, as amended, 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.

ORDER

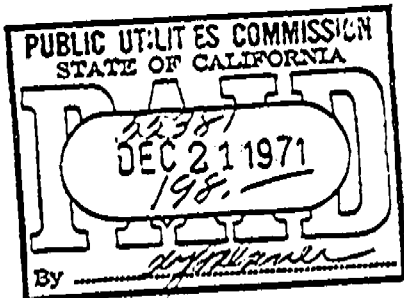
IT IS ORDERED that:

1. Sacramento River Warehouse Company, on or after the effective date hereof and on or before March 31, 1972, for the purposes specified in this proceeding, may issue a note in the principal amount of not exceeding \$135,000, and may execute a Deed of Trust. The documents shall be in substantially the same form as those attached to the application.

2. Sacramento River Warehouse Company 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 Sacramento River Warehouse Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$198.

Dated at San Francisco, California, this 21st day of DECEMBER, 1971.



[Signature]
Chairman
William J. ...
[Signature]
James L. Sturgeon
[Signature]
Commissioners