

Decision No. 81725

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Application No. 54174
(Filed July 16, 1973)

O P I N I O N

Valley Grain Drier, Inc. seeks authority to issue a \$60,000 Deed of Trust Note and a \$360,000 Consolidation Agreement, and to execute and deliver a Declaration Amending Deeds of Trust and Notice of Additional Loan No. 3.

Applicant is a California corporation operating as a public utility warehouseman at Berenda in Madera County. For the fiscal year ended August 31, 1972, its reported public utility and nonutility operating revenues amounted to \$5,153 and \$4,456,503, respectively; the corresponding net income was \$91,559.

The application indicates that the outstanding balance of previously authorized indebtedness in favor of The Northwestern Mutual Life Insurance Company is \$300,000, and that applicant proposes to increase the borrowing to \$360,000 by issuing a \$60,000 note. Pursuant to a Consolidation Agreement, the present and proposed loans would be regarded as one debt of \$360,000 repayable in annual installments of \$45,000, and interest would remain payable semi-annually at the rate of 8-1/2% per annum.

The proceeds of the proposed loan would be used to construct a new office building for the corporation at an estimated cost of \$53,000, and the balance of the proceeds would be used to construct a paved roadway around the plant site.

After consideration the Commission finds that:

1. The proposed Deed of Trust Note and Consolidation Agreement are for proper purposes.
2. The money, property or labor to be procured or paid for by the issue of the evidences of indebtedness 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.
3. The proposed Declaration Amending Deeds of Trust and Notice of Additional Loan No. 3 would 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, nor as permitting applicant to have any long-term indebtedness in addition to that herein authorized.

O R D E R

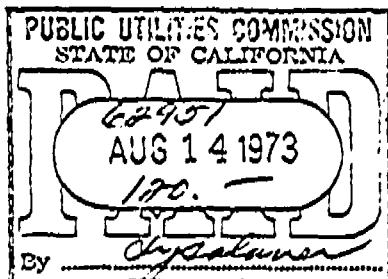
IT IS ORDERED that:

1. Valley Grain Drier, Inc., on or after the effective date hereof and on or before December 31, 1973, for the purposes specified in this proceeding, may execute and deliver a Declaration Amending Deeds of Trust and Notice of Additional Loan No. 3, and may issue a \$60,000 Deed of Trust Note and a \$360,000 Consolidation Agreement. The documents shall be ⁱⁿ substantially the same forms as those 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 \$120.

Dated at San Francisco, California, this 14th day of August, 1973.



Verano R. Stinger
President
[Signature]
[Signature]
Commissioners

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

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.