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Decision No. 89132 JUL 25 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the SACRAMENTO VALLEY)	
MILLING COMPANY, a corporation, to)	Application No. 58155
issue a promissory note for \$696,000.00)	(Filed June 19, 1978)
and to execute two Deeds of Trust.)	

O P I N I O N

Sacramento Valley Milling Company (Sacramento Milling) seeks authority from this Commission to issue a promissory note for \$696,000 and to execute two Deeds of Trust.

Sacramento Milling is engaged primarily in the business of wholesale and retail buying, cleaning and selling of seed, beans, grain and other farm and agricultural products. Public utility warehouseman activities related to such business amounted to about six percent of gross revenues in the fiscal year ended June 30, 1977.

The company's assets and liabilities as of April 30, 1978 are set forth in summary form below:

<u>Assets</u>	<u>Amount</u>
Current assets	\$ 632,955
Fixed assets, net	442,576
Other assets	<u>129,852</u>
Total	<u>\$1,205,383</u>
 <u>Liabilities</u>	
Current liabilities	\$ 469,136
Long-term liabilities	300,765
Equity	<u>435,482</u>
Total	<u>\$1,205,383</u>

The proceeds from the proposed note would be used to pay off an existing loan in the amount of \$330,000 and to finance the modernization of bean cleaning facilities and the installation of a new scale.

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The borrowing would be evidenced by a promissory note in favor of Bank of America National Trust and Savings Association, repayable in monthly installments of \$6,723.36 for a period of 20 years. Interest would be fixed at 10 percent. The note would be secured by the two deeds of trust. One of the deeds of trust would be on land and buildings at Ordbend, Glenn County and the other on the land and buildings at Williams, Colusa County. Most of the land and buildings are owned by the Estate of Wilbur O. White but a part of the land and one building at Ordbend and eleven storage tanks at Williams are owned by Sacramento Milling. As all land and all buildings are to be covered by the two deeds of trust, both Sacramento Milling and Thelma B. White, executrix for the Estate of Wilbur O. White, will sign the deeds of trust. A copy of the promissory note and deeds of trust are attached to the application as Exhibits C, D, and E.

The application states that the payments on the proposed loan would not be substantially greater than on the existing loan, and that the additional payments can be met by increased earnings from a more efficient bean cleaning operation and increased volume.

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 issuance 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. There is no known opposition and no reason to delay granting the authority requested in the application. A public hearing is not necessary.

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On the basis of the foregoing findings we conclude that the application should be granted. 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

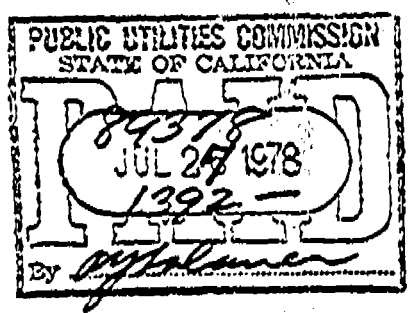
IT IS ORDERED that:

1. Sacramento Valley Milling Company, on or after the effective date hereof and on or before October 31, 1978, for the purposes specified in this proceeding, may execute and deliver Deeds of Trust, and may issue a note in the principal amount not exceeding \$696,000. The documents shall be in substantially the same forms as those attached to the application. ✓

2. Sacramento Valley Milling 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 Valley Milling Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,392.

Dated at San Francisco, California, this 25th day of July, 1978.



Robert Betts
President
William ...
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Commissioners