

ORIGINAL

Decision No. 42958

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
ANTELOPE VALLEY REFRIGERATING CO.,	:	
a corporation, for authorization to)	
issue its promissory note to evidence	:	
indebtedness due and payable in excess)	Application
of one year from date of issue pursuant	:	No. 30340
to Section 52 of Act 6386, Deering's)	
General Laws, known as the Public	:	
Utilities Act.)	
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OPINION AND ORDER

This is an application for an order of the Public Utilities Commission authorizing Antelope Valley Refrigerating Co. to issue a note in the principal amount of \$13,500 for the purpose of paying outstanding indebtedness.

Antelope Valley Refrigerating Co. is a California corporation engaged, among other things, in operating a public utility cold storage warehouse business in Palmdale.⁽¹⁾ The records of the Commission show that it acquired the properties and business it operates during 1948 from Henry William Schafer, et al., pursuant to authority granted by Decision No. 41816, dated July 7, 1948, and that in doing so it assumed the payment of certain indebtedness, originally in the amount of \$27,000, in favor of Lewis Rex Feldman and Hortense Feldman, which indebtedness is represented by a note secured by a deed of trust.

(1)
Applicant reports its revenues for the nine months ending March 31, 1949, at \$52,361.32 (including storage revenues of \$21,316.45), its expenses at \$46,182.49, and its net profit at \$6,178.83. It reports its investment in fixed assets as of March 31, 1949, at \$123,865.48 and its long-term liabilities at \$88,677.17.

The present application shows that the unpaid balance on the indebtedness in favor of Lewis Rex Feldman and Hortense Feldman has been reduced to \$19,510.68, and that applicant has received through a broker an offer from the payees to discount the note and to accept in full payment the sum of \$12,250. The application further shows that Antelope Valley Refrigerating Co. did not have funds available to accept said offer, and that accordingly it made arrangements to obtain the money from Henry William Schafer, its president, on a demand basis, with interest at the rate of 3% per annum. The total amount it was necessary to borrow from said Henry William Schafer was \$13,500 in order to liquidate the present indebtedness, to pay the broker's fee, and to meet other expenses.

Upon obtaining the \$13,500 from Henry William Schafer, applicant agreed to file with this Commission an application for permission to issue to him a promissory note payable in monthly installments of \$225, with interest at the rate of 3% per annum, to represent the advances made by him.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of said note for \$13,500 is reasonably required by applicant for the purpose stated herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

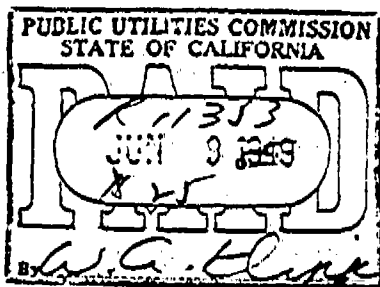
IT IS HEREBY ORDERED as follows:

1. Antelope Valley Refrigerating Co., after the effective date hereof and on or before July 31, 1949, may issue its promissory note in the principal amount of \$13,500 with interest at the rate of 3% per annum, principal and interest payable at the rate of \$225 per month, for the purpose of paying the advances from Henry William Schafer of like amount to which reference is made herein.

2. Antelope Valley Refrigerating Co. shall file with the Commission a report, or reports, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when Antelope Valley Refrigerating Co. has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 7th day of June, 1949.



P. F. Johnson

W. H. Kavelle

Harold P. Kula

Marion H. Potter
Commissioners