

**ORIGINAL**

Decision No. 49107

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of }  
SAN FRANCISCO WAREHOUSE COMPANY, a }  
corporation, for an order authoriz- }  
ing it to borrow money and encumber }  
public utility property. }

Application  
No. 34695

O P I N I O N

In this application San Francisco Warehouse Company requests authority to execute a deed of trust and to issue a note in the principal amount of \$580,000 for the purpose of refinancing existing indebtedness, of providing funds needed to finance new construction and of providing additional working capital.

Applicant is a corporation organized under the laws of the State of California on October 5, 1899. It now is, and for many years has been, engaged in business in San Francisco as a public warehouseman of general commodities and also in nonpublic utility operations. (1) According to its annual report to this Commission for the year 1952, applicant owns some and leases other of the warehouses it operates. The report shows total available floor space of 508,083 square feet all of which is said to be devoted to public utility use.

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(1) For the year 1952 applicant reports its total revenues from all sources at \$1,466,340.22 and its net income to surplus at \$28,090.34. The present application does not set forth the amount of gross revenues but does report the net income transferred to surplus for the six months ended June 30, 1953, at \$11,615.91.

In its annual report to the Commission for the year 1952 applicant reports the principal commodities stored as including tobacco, candy, gum, liquor, chemicals, drugs, canned goods, tea, coffee, sugar, electrical goods, stoves and household appliances.

In Exhibit A attached to the application, applicant reports its assets and liabilities, as of June 30, 1953, as follows:

<u>Assets</u>		
Current assets		
Cash	\$ 51,985.00	
Accounts receivable - Net	211,192.18	
Inventory of supplies	<u>3,762.06</u>	\$ 266,939.24
Property and equipment (net of \$419,982.19 depreciation reserve)		1,144,337.14
Other assets		69,144.02
Other investments		<u>7,756.67</u>
Total Assets		<u>\$1,488,177.07</u>
<u>Liabilities</u>		
Accounts payable		\$ 89,822.17
Accrued liabilities		34,761.28
Notes payable		580,000.00
Net worth		
Capital stock	\$ 40,000.00	
Surplus	<u>743,593.62</u>	783,593.62
Total Liabilities		<u>\$1,488,177.07</u>

It appears that the Commission, by Decision No. 45368, dated February 20, 1951, in Application No. 32096, authorized applicant to execute a deed of trust and issue its 4% promissory note to The Equitable Life Assurance Society of the United States in the principal amount of \$400,000. The unpaid balance on this note is reported to be \$350,000.

Applicant reports that it now desires to liquidate the \$350,000 balance due on the note currently outstanding and that it desires to borrow an additional \$230,000 of which \$222,000 would be utilized to defray expense incurred in connection with the construction of additional warehouse facilities and \$8,000 would be used to provide additional working capital. The warehouse facilities to be constructed by applicant consist of an addition to its present facilities and will provide 50,000 square feet of warehouse space.

To obtain the \$580,000, applicant proposes to issue its promissory note to The Equitable Life Assurance Society of the United States. The note, a copy of which is attached to the application as

Exhibit B, provides for interest at the rate of  $4\frac{1}{2}\%$  per annum for the period ending October 1, 1963, and at  $4\frac{1}{2}\%$  per annum thereafter. It also provides for quarterly payments of \$7,250 on the principal starting January 1, 1954, with any unpaid balance to be due on October 1, 1973. The payment of the note is to be secured by a deed of trust on certain of applicant's real property and by a conditional assignment of applicant's interest in two leases. A copy of the deed of trust which applicant proposes to execute is attached to the application as Exhibit C and a copy of the form of assignment is attached as Exhibit D.

It appears that applicant has need for the funds to be procured through the issue of its promissory note in order to re-finance existing indebtedness and to provide funds needed for new construction. Accordingly, an order will be entered.

O R D E R

The Commission having considered the above entitled matter and being 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 the note herein authorized is reasonably required by applicant for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. San Francisco Warehouse Company, after the effective date hereof and on or before December 31, 1953, may issue a note in the principal amount of \$580,000 for the purposes set forth in this application and may execute a deed of trust and an assignment of

lease which note, deed of trust and assignment of lease shall be in, or substantially in, the same form as those filed in this proceeding as Exhibits B, C, and D respectively.

2. Applicant shall file with the Commission a report, or reports, as required by 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 applicant has paid the fee prescribed by Section 1904 of the Public Utilities Code, which fee is \$230.00.

Dated at San Francisco, California, this 22<sup>nd</sup> day of September, 1953.

[Signature]  
President

[Signature]

[Signature]

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Commissioners

