

ORIGINAL

Decision No. 49903

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

| | | |
|-------------------------------------|---|-------------|
| In the Matter of the Application of |) | |
| | : | |
| TURLOCK REFRIGERATING COMPANY, |) | Application |
| | : | No. 35319 |
| A corporation, for authority to |) | |
| execute evidences of indebtedness. | : | |
| ----- |) | |

O P I N I O N

This is an application for an order of the Commission authorizing Turlock Refrigerating Company to execute a loan agreement with Bank of America National Trust and Savings Association under which it proposes to borrow \$150,000.

Applicant was organized during April of 1953 for the purpose of constructing, equipping and operating a cold storage plant in Turlock for the warehousing of perishable food and other products. It has received authorization from the Commission to issue \$300,000 of common stock, a \$100,000 note to Bank of America and a \$24,812 note to Tidewater Southern Railway Company for the purpose of financing the cost of real property, improvements and equipment and of providing working capital. (Decision No. 48522, dated April 28, 1953, and Decision No. 48675, dated June 9, 1953, in Application No. 34278.) The application shows that applicant has completed the construction work and up to the close of February of this year had invested \$439,838 in the properties and facilities.

The \$100,000 note authorized by the Commission is payable over a period of five years with interest at the rate of 5% per annum. Applicant now desires to modify the terms of the note and to

increase its bank borrowings to \$150,000 so as to obtain funds to pay for lift trucks, pallets and conveyors and handling equipment needed in its operations. It proposes, subject to receiving authorization from the Commission, to enter into a loan agreement with the bank whereby the \$100,000 original loan will be represented by a 5% note payable in monthly installments over a period of seven years, and the \$50,000 additional loan will be represented by a 5% note payable over a period of five years. The \$100,000 note will be secured by a deed of trust on applicant's real property and the \$50,000 note by a chattel mortgage on its equipment.

Information filed with the Commission shows that applicant did not issue the \$100,000 note prior to the expiration of the Commission's order on December 31, 1953. The present order, accordingly, will authorize applicant to issue new notes and to execute new instruments securing their payment, it being our opinion that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicant for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Turlock Refrigerating Company, on and after the effective date hereof and on or before August 31, 1954, may execute and enter into a loan agreement with Bank of America National Trust and

Savings Association in, or substantially in, the same form as that filed in this proceeding as Exhibit II and may execute a deed of trust and a chattel mortgage and issue notes in the aggregate principal amount of \$150,000, in accordance with the terms of said loan agreement, for the purpose of refinancing the indebtedness of \$100,000 and of paying for handling equipment.

2. Turlock Refrigerating Company 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 Turlock Refrigerating Company has paid the additional fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$50.00.

Dated at San Francisco, California, this 13th day of April, 1954.

R. E. [Signature]
President

Justus J. [Signature]
Robert E. [Signature]

[Signature]

Commissioners

