

Decision No. 54758

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of PACIFIC COLD STORAGE, INC., a)
corporation, for an order)
authorizing the issuance of a)
promissory note, deed of trust)
and mortgage of chattels.)
-----)

Application No. 38910

OPINION AND ORDER

This is an application for an order authorizing Pacific Cold Storage, Inc., to issue a promissory note in the principal amount of \$127,500.

Applicant is engaged in operating cold storage warehouse facilities, containing 37,968 square feet, in the City of Vernon. It reports that its business has been increasing since it commenced its operations in 1952, that its present facilities are inadequate, and that it has made arrangements to increase its plant by the addition thereto of 14,952 square feet of storage space, the addition to be constructed of reinforced concrete and to contain cooling and freezing equipment.

The estimated costs of the new facilities are \$199,000. Applicant proposes to utilize \$71,500 of treasury funds to meet a portion of the costs and to borrow \$127,500 from California Bank, such borrowing to be evidenced by a note payable in quarterly installments of \$9,100, with interest at the rate of 5 per cent per annum, and to be secured by a presently outstanding deed of trust and a chattel mortgage which were executed under authorization

granted by the Commission by Decision No. 52619, dated February 14, 1956.

A review of applicant's statements indicates that its net investment in tangible assets, as of December 31, 1956, amounted to \$614,659 with an outstanding mortgage of \$140,000. The review further shows current assets and prepaid expenses in the amount of \$119,006, as compared with current liabilities of \$94,358, and operating revenues during 1956 in the aggregate amount of \$347,764 with net income of \$121,579. Upon the basis of the information before us, we are of the opinion that applicant's assets and earnings should be ample to service the proposed note, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purpose specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be approved by an ex parte order; therefore,

IT IS HEREBY ORDERED as follows:

1. Pacific Cold Storage, Inc., may issue a promissory note on or before September 30, 1957, in the principal amount of not exceeding \$127,500 and use the proceeds for the purpose set forth in this application. The note shall be in, or substantially in, the same form as that filed as Exhibit B in this proceeding.

2. Pacific Cold Storage, Inc., 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 Pacific Cold Storage, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$128.

Dated at San Francisco, California, this 2nd day of April, 1957.

Robert E. Mitchell
President
Paul H. Linschmeier
Marion H. Dade
R. H. Harty
C. L. Fox
Commissioners

