

Decision No. 55083

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
J. H. LOUGHEAD DBA LOUGHEAD COLD  
STORAGE COMPANY, for an order  
authorizing the issuance of a  
promissory note, deed of trust  
and mortgage of chattels.

Application No. 39082

OPINION AND ORDER

In this application J. H. Loughead, doing business as Loughead Cold Storage Company, seeks an order of the Commission authorizing him to execute a deed of trust and a mortgage of chattels, and to issue a note in the principal amount of \$175,000.

Applicant operates as a public utility cold storage warehouseman in the City of Fresno. For the year 1956, he reports cold storage income of \$63,350.68, and a net profit of \$23,454.75 derived from the operation of facilities which provide for 14,400 square feet of cold storage warehouse space.

In order to provide for the increasing demand for his cold storage facilities, applicant proposes to add 5,400 square feet of storage space through the construction of a building containing equipment for cooling and storing fruits and vegetables, as an extension of his present operation. For the purpose of obtaining funds (1) to pay the cost of constructing the proposed addition, estimated at \$100,000, (2) to pay a \$60,000 indebtedness to H. Bujulian, and (3) to provide operating capital of \$15,000,

applicant proposes to issue a \$175,000 note in favor of the United States of America acting through the Small Business Administration. The proposed note will be payable in ten annual installments of \$17,500 plus interest at the rate of 6 per cent per annum, and will be secured by a deed of trust and a mortgage of chattels.

From a review of the application we are of the opinion that applicant has need for additional facilities, that his earnings should be ample to service the proposed note, that a public hearing is not necessary, that the application should be granted, 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 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. J. H. Loughead, on and after the effective date hereof and on or before September 30, 1957, may execute a deed of trust and a mortgage of chattels and may issue a note in the principal amount of not exceeding \$175,000 payable in annual installments of \$17,500 with interest at the rate of 6 per cent per annum, for the purposes set forth in this proceeding.
2. J. H. Loughead shall file with the Commission a monthly 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 J. H. Loughead has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$175.

28<sup>th</sup> Dated at Los Angeles, California, this  
day of May, 1957.

[Signature]  
President

[Signature]

[Signature]

[Signature]

Commissioners

