

ORIGINAL

55804

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of U. S. GROWERS & SHIPPERS SERVICE, INC. for permission to encumber its real property necessary or useful in the performance of its duties to the Public; issuing a note for \$200,000.00, and trust deed and chattel mortgage securing the same.

Application No. 39558

OPINION AND ORDER

This is an application for an order of the Commission authorizing U. S. Growers & Shippers Service, Inc. to execute a deed of trust and a mortgage of chattels and to issue a promissory note in the principal amount of \$200,000 for the purpose of refinancing outstanding indebtedness and to pay, in part, the cost of acquiring additional facilities.

Applicant is a California corporation engaged in the operation of a cold storage warehouse and related facilities in Vernon. It recently contracted for the installation of additional refrigeration facilities at a cost of approximately \$100,000, of which \$10,000 is still owing to the installer and \$40,000 was paid from applicant's own funds, and \$50,000 was borrowed on 90-day notes from the Bank of America National Trust and Savings Association. Applicant now desires to refinance such short-term indebtedness, to refund a balance of \$140,000 remaining unpaid on a previously authorized long-term loan, and to obtain funds with which to discharge its remaining indebtedness of \$10,000 due the installer.

To accomplish these objectives, applicant proposes to issue a new note to the Bank of America National Trust and Savings Association in the principal amount of \$200,000, payable over a period of five years in monthly installments of \$3,500, including interest at the rate of six per cent per annum on the unpaid balances, with any unpaid balance becoming due and payable at the expiration of the five-year period. The indebtedness to be evidenced by such note will be secured by a deed of trust and a mortgage of chattels.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, 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. U. S. Growers & Shippers Service, Inc., on and after the effective date hereof and on or before March 31, 1958, may execute a deed of trust and a mortgage of chattels and may issue its promissory note in the principal amount of not exceeding \$200,000 for the purposes set forth in this application, said deed of trust, mortgage of chattels and note to be in, or substantially in, the same form as those filed in this proceeding.

2. U. S. Growers & Shippers Service, 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 U. S. Growers & Shippers Service, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$60.

Dated at San Francisco, California, this 9th day of December, 1957.

E. M. Medall
President
Ralph J. ...
...
R. Hardy
E. ...
Commissioners

