

Decision No. 35896**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 WEST LOS ANGELES MILLING CO., a)
 corporation, For an Order)
 Authorizing the Issue of its)
 Promissory Note and Approving)
 the Terms and Conditions Thereof.)

Application No. 40053

OPINION AND ORDER

This is an application for an order authorizing West Los Angeles Milling Co. to issue an unsecured promissory note in the principal amount of \$150,000.

Applicant is a California corporation which is engaged in the operation of public warehouse for the storage of agricultural and food products, particularly beans, in the Counties of Los Angeles, San Bernardino, San Diego, Ventura, Sutter, Yuba and Butte and in mercantile activities.^{1/} Among other things, applicant is engaged in packaging produce for sale and it reports that it now has found it necessary to spend approximately \$150,000 to improve and add to its packaging machinery in its various warehouses. It has arranged

^{1/} For the six months ended January 31, 1958, applicant reports:

Sales	\$2,978,452	
Cost of goods sold	<u>2,759,358</u>	
Gross profit on sales		\$219,094
Storage		57,495
Handling, cleaning, miscellaneous		<u>247,875</u>
Total gross profit		524,464
Expenses		<u>415,095</u>
Operating gain		109,369
Depreciation		57,176
Net gain		<u>\$ 52,193</u>

to borrow the required sums from Security-First National Bank of Los Angeles and to issue, in evidence of the amounts to be borrowed, its unsecured promissory note, payable in quarterly installments of \$12,500 or more, with interest at a rate of 1/2 of 1% above the bank's prime rate for 90-day commercial loans, as said prime rate may change from time to time, but not more than 5% nor less than 4% per annum.

The Commission has given consideration to this application and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required 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. West Los Angeles Milling Co., a corporation, on and after the effective date hereof and on or before September 30, 1958, may issue its unsecured promissory note in the principal amount of not exceeding \$150,000, under the terms and conditions and for the purposes set forth in this application.
2. West Los Angeles Milling Co. 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 West Los Angeles Milling Co. has paid the fee prescribed

by Section 1904(b) of the Public Utilities Code, which fee is \$150.

Dated at Los Angeles, California, this 20th day of May, 1958.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners

