

ORIGINAL

Decision No. 62610

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
TRACY ICE & DEVELOPMENT CO.,

a corporation, for an order authorizing it to issue evidence of indebtedness maturing more than 12 months from the date thereof to Bank of America National Trust and Savings Association and to encumber its property to secure said indebtedness.

Application No. 43746  
Filed September 11, 1961

O P I N I O N

This is an application for an order of the Commission (1) authorizing Tracy Ice & Development Co., a corporation, applicant herein, to enter into an agreement modifying the terms of a \$100,000 note issued pursuant to authority granted by Decision No. 62319, dated July 25, 1961, in Application No. 43549, and (2) authorizing said corporation to expend a portion of the note proceeds to defray, in part, the costs of of drilling a water well.

The verified application shows that -

1. Applicant is a California corporation engaged in the public utility cold storage warehouse business near the City of Tracy;
2. On or about July 28, 1961, pursuant to said Decision No. 62319, it issued to Bank of America National Trust and Savings Association a \$100,000 note providing for the payment of principal and 5-3/4 per cent per annum interest in monthly installments of \$1,097.70;

3. Through oversight, the application of the company contained different repayment terms than had been agreed upon previously;
4. The desired terms provide for the payment of principal in installments of \$1,666.66, plus interest at the rate of 5-3/4 per cent per annum upon the decreasing balance, commencing October 1, 1961, and quarterly thereafter until July 28, 1971, on which date the entire balance of principal and interest shall be due and payable;
5. The funds obtained through the issuance of the \$100,000 note were in excess of those necessary to pay the principal and accrued interest on the note to American Trust Company, which expenditures were contemplated by said Decision No. 62319;
6. Such excess amounts to \$2,256.69, which applicant proposes to use to defray, in part, the cost of drilling an auxiliary water well to safeguard the warehouse water supply;
7. Applicant now desires authority (a) to enter into an agreement modifying the repayment terms of said note so as to reflect those agreed upon previously, and (b) to expend \$2,256.69 of the note proceeds to defray the costs of drilling a water well.

Upon considering this matter, we find and conclude that the money, property or labor to be procured or paid for by the issue of the note authorized by said Decision No. 62319, is reasonably required by applicant for the purposes specified therein, and for the additional purpose specified herein; and that such purposes, except for the payment of accrued interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income.

Based upon these findings, we will enter an order granting the company's requests.

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,

IT IS ORDERED that -

1. Tracy Ice & Development Co., a corporation, may execute and enter into an agreement modifying the repayment terms of the \$100,000 note issued under authority granted by Decision No. 62319, dated July 25, 1961, in Application No. 43549, which agreement shall be in the same form, or in substantially the same form, as the copy filed in this proceeding as Exhibit 1. For accounting purposes said modification may be made as of August 28, 1961.

2. Tracy Ice & Development Co., a corporation, may expend the proceeds of the \$100,000 note authorized by said Decision No. 62319 for the purposes specified in said decision, and for the additional purpose specified in this proceeding.

3. Tracy Ice & Development Co., a corporation, 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.

4. The order in said Decision No. 62319 shall remain in full force and effect except as modified by this order.

5. This order shall become effective on the date hereof.

Dated at San Francisco, California,  
this 3rd day of October, 1961.

E. J. Fox President  
George L. Grover  
Fredrick B. Hilchhoff  
Commissioners

Everett C. McKeage  
Commissioners Peter E. Mitchell - being  
necessarily absent, did not participate  
in the disposition of this proceeding.