

ORIGINAL

Decision No. 65377

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SOUTH COAST PACKING COMPANY, INC.,
a corporation,

for an order authorizing execution
of evidence of indebtedness and
encumbrance of public utility
property.

Application No. 45396
Filed April 30, 1963

O P I N I O N

South Coast Packing Company, Inc., has filed this application for authorization to execute a deed of trust and to issue a note in the principal amount of \$291,000.

Applicant is engaged in business in Los Angeles as a cold storage corporation. Its financial statement as of December 31, 1962, filed as Exhibit A, shows that it has invested \$760,785 in fixed assets and that it had financed itself, in part, with depreciation moneys and, in part, with long-term liabilities of \$318,017 and proprietary capital of \$433,346. For the nine months' period ended December 31, 1962, the revenues from operations were reported at \$141,008 and net profit before taxes at \$39,692.

The company now reports that it desires to modernize and improve its facilities, without increasing the authorized floor space, and that it estimates \$111,000 will be required for this purpose. Assertedly, the improvements will result in increased revenues with no increase in handling costs.

The company has made arrangements to borrow \$291,000 from the Manufacturers Bank to finance the estimated cost of \$111,000 of the proposed improvements, to liquidate outstanding indebtedness of \$159,422.94, and to meet other expenses of \$20,577.06. The borrowing will be represented by a note, payable on or before one year after date of issue with interest at the rate of 6.5% per annum, secured by a deed of trust. Applicant reports that it will undertake to obtain insurance company or savings and loan financing to refinance the indebtedness on a twenty-year basis.

We have considered this matter and are of the opinion, and find, 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 for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. South Coast Packing Company, Inc., on or after the effective date hereof and on or before December 31, 1963, may execute a deed of trust in the same form, or substantially the same form, as that filed as Exhibit C and may issue a note in the principal amount of not to exceed \$291,000 in the form, under the terms and for the purposes set forth in this application.

2. South Coast Packing Company, 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.

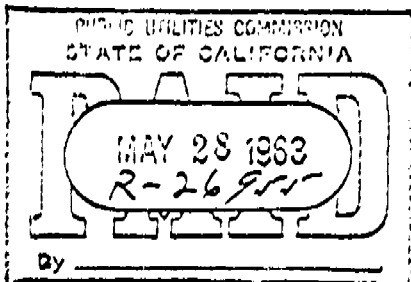
3. The authority herein granted shall become effective when South Coast Packing Company, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$291.

Dated at San Francisco, California,
this 14th day of MAY, 1963.

George H. Brown
President

Frederick B. Halcheyff
William W. Bennett

Commissioners



Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.