

ORIGINAL

Decision No. 66089

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Los Angeles Transport & Warehouse  
Co, for authorization to execute  
evidence of indebtedness.

Application No. 45693  
Filed August 20, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Los Angeles Transport & Warehouse Co., a corporation, applicant herein, to execute a deed of trust and to issue a note.

Applicant operates as a public utility warehouseman in the City of Vernon, and as a highway common carrier in portions of the southern part of California. It reports that during 1961 it executed a deed of trust and issued a \$52,000 note and expended the proceeds for financing the construction of approximately 18,000 additional square feet of warehouse facilities. Such note is in favor of California Bank and is payable at the rate of \$700 or more per month, with each payment including interest computed at the rate of 6-1/2% per annum on unpaid principal. Applicant reports an unpaid balance of \$39,549.12 which it owes on the note.

The corporation did not obtain authorization from the Commission to issue the note or to execute the deed of trust as required by Sections 818 and 851 of the Public Utilities Code,

although it appears that its failure to do so was through inadvertence and that when the requirements of the code were called to applicant's attention, it forthwith filed the present application requesting the Commission to authorize the outstanding loan.

Sections 825 and 851 of the Public Utilities Code declare void any note or other evidence of indebtedness of a public utility, or any encumbrance of utility property, made without approval of the Commission. We are of the opinion that we cannot authorize or approve a void note or deed of trust. However, the note was issued for a proper purpose and we will enter an order authorizing applicant to issue a new note and to execute a new deed of trust in lieu of those issued and executed without the necessary consents. In our opinion, and we so find, the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and such purpose is 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. Los Angeles Transport & Warehouse Co., a corporation, may issue its new note in favor of California Bank in the principal amount of not to exceed \$39,549.12, and may execute a deed of trust to secure its payment, said new note and deed of trust to be issued and executed in the place and stead of the instruments presently outstanding which were issued and executed without authorization from the Commission.

2. Los Angeles Transport & Warehouse 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.

3. This order shall become effective when Los Angeles Transport & Warehouse Co., a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$40.

Dated at San Francisco, California, this 12<sup>th</sup> day of OCTOBER, 1963.

*William B. Burnett*  
President  
*George H. Hoover*  
*Fredrick B. Hallock*  
Commissioners

