

ORIGINAL

66135

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
WESTWAREHOUSES, INC. for authorization
to execute evidence of indebtedness

Application No. 45764
Filed September 12, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Westwarehouses, Inc., applicant herein, to issue an unsecured note.

The application shows that, for the purpose of obtaining funds to finance improvements to its warehouse electrical and lighting system at Milpitas, applicant, in September 1962, issued a \$25,000 note in favor of Bank of America National Trust and Savings Association. The terms of the note provide for monthly payments of \$500 over a period of approximately five years, which payments, in addition to applying on the principal, cover interest computed at the rate of 6% per annum on decreasing balances of principal. Applicant reports an unpaid balance of \$20,306.66 which it owes on the note.

The corporation did not obtain authorization from the Commission to issue the note as required by Section 818 of the Public Utilities Code. It appears, however, that applicant's failure to do so was through inadvertence and that when the

requirements of the code were called to its attention, it forthwith filed the present application requesting the Commission to authorize the outstanding loan.

Section 825 of the Public Utilities Code declares void any long-term note of a public utility issued without approval of the Commission. We are of the opinion that we cannot authorize or approve a void note. However, the \$25,000 note was issued for a proper purpose and we shall enter an order authorizing applicant to issue a new note in lieu of that issued without the necessary authorization. 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 by applicant 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. Westwarehouses, Inc., on or after the effective date hereof and on or before December 31, 1963, may issue its new note in favor of Bank of America National Trust and Savings Association in the principal amount of not to exceed \$20,306.66, said new note to be issued in the place and stead of the presently outstanding note which was issued originally in the amount of \$25,000 without authorization from the Commission.

2. Within thirty days after issuing the new note herein authorized, Westwarehouses, Inc., shall file with the Commission a copy thereof as actually issued.

3. This order shall become effective when Westwarehouses, Inc., has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 15th day of OCTOBER, 1963.

Allegretto Deanda
President

George L. ...
Robert ...

George L. Crover

Fredrick B. Hololoff
Commissioners

