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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SANTA CLARA COLD STORAGE & FREEZER
CO., a California corporation, for
permission to borrow money and
execute Note and Deed of Trust.

Application No. 45834
Filed October 4, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Santa Clara Cold Storage & Freezer 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 Santa Clara. It reports that previously it executed a deed of trust and issued a \$118,000 note and expended the proceeds for financing the purchase of 11.8 acres of land for future development related to its cold storage operation, such being the last piece of land adjoining its present acreage.

The corporation did not obtain authority from the Commission to incur the indebtedness, although it appears that its failure to do so was through inadvertence and that when the applicable requirements of the Public Utilities Code were called to its attention, it forthwith filed the present application requesting the Commission to authorize the

outstanding loan. Applicant has reduced the indebtedness evidenced by the unauthorized note and now proposes to issue a new 5-3/4% note in favor of Wells Fargo Bank in the principal amount of \$115,500, with principal payable in annual installments of \$11,550.

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. 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 Commission 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 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. Santa Clara Cold Storage & Freezer Co., a corporation, may issue its new note in favor of Wells Fargo Bank in the principal amount of not to exceed \$115,500, 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. Within thirty days after issuing the new note herein authorized, Santa Clara Cold Storage & Freezer Co., a corporation, shall file with the Commission a copy thereof as actually issued.

3. This order shall become effective when Santa Clara Cold Storage & Freezer Co., a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$116.

Dated at San Francisco, California,
this 5th day of November, 1963.

William A. Brund
President
George E. Hoover
Frederick B. Holahoff
Commissioners

