

Decision No. 67250

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application Of PACIFIC COLD STORAGE,  
INC. For Authority To Issue Its  
Promissory Note Or Other Evidence Of  
Indebtedness Payable At Periods Of  
More Than Twelve Months After The  
Date Thereof.

Application No. 46602  
Filed May 1, 1964

O P I N I O N

This is an application for an order of the Commission authorizing Pacific Cold Storage, Inc. to execute a deed of trust and to issue a \$600,000 note.

Applicant is a California corporation engaged in business as a public utility warehouseman in the City of Vernon, Los Angeles County, pursuant to a prescriptive operative right authorizing the operation of 52,920 square feet of storage or warehouse floor space, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code. For the year 1963 its reported warehouse operating revenues were \$533,139 and the corresponding net income amounted to \$154,155.

Appendix A attached to the application shows that the company's assets and liabilities as of March 31, 1964, were as follows:

<u>Assets</u>	
Land	\$ 83,138
Plant and equipment - less depreciation reserve	537,011
Current assets	444,023
Other assets	7,471
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Total	<u>\$1,071,643</u>
<u>Liabilities and Capital</u>	
Common stock equity	\$ 751,258
Current liabilities	320,385
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Total	<u>\$1,071,643</u>

The company asserts that the existing warehouse is operating at full capacity and that it is unable to accept new customers or to apportion available floor space among present customers. In order to render adequate service to the public, it plans to increase floor space 30,000 square feet by constructing additional facilities at an estimated cost of \$500,000 on approximately 2.25 acres of unimproved land costing \$196,270, which parcel is located in the general vicinity of the present operation.

For the purpose of obtaining funds to finance part of the cost of said additions and improvements, applicant proposes to issue in favor of United California Bank a \$600,000 note providing for repayment of principal, together with interest at the rate of approximately 6% per annum, in monthly installments of \$6,600 or more. The indebtedness to be represented by the note will be secured by a deed of trust.

The Commission has considered this matter and finds that: (1) the proposed note issue is for a proper purpose; (2) prevailing financial conditions should enable applicant to obtain the proposed financing at an interest rate of 6% per annum, or less; (3) 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 (4) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings, we conclude that the application should be granted, subject to the conditions that the interest rate shall be definite and not in excess of 6% per annum. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Pacific Cold Storage, Inc., on or after the effective date hereof and on or before September 30, 1964, for the purpose set forth in this proceeding, may execute a deed of trust and may issue a note in the principal amount of not to exceed \$600,000, which documents shall be in the same form, or in substantially the same form, as those attached to the application, provided that the interest rate shall be definite and in an amount of not to exceed 6% per annum.

2. Pacific Cold Storage, Inc. shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Pacific Cold Storage, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$600.

Dated at San Francisco, California,  
this 26<sup>th</sup> day of MAY, 1964.

William L. Bernard  
President

George L. Hoover

Fredrick B. Holbrook  
Commissioners

