

ORIGINAL

Decision No. 67344

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of

B-LO COLD STORAGE CO.

For Authority to Borrow Money, Pay  
Off Existing Loan, To Execute Loan  
Agreement and To Issue Promissory  
Note.

Application No. 46659  
Filed May 22, 1964

O P I N I O N

This is an application for an order of the Commission authorizing B-Lo Cold Storage Co. to execute a deed of trust and to issue a \$150,000 note.

Applicant is a California corporation engaged in the business of operating a cold storage warehouse at 616 South Stanford Avenue in the City of Los Angeles pursuant to authority granted by a certificate of public convenience and necessity. For the year 1963 it reports a net income of \$14,030.08.

By Decision No. 65763, dated July 30, 1963, in Application No. 45517, the Commission authorized applicant to issue notes aggregating \$147,934.59, the outstanding balances of which are now reported as aggregating \$120,124.14. For the purpose of obtaining funds to pay said \$120,124.14 indebtedness, together with a \$3,910.50 balance on a contract for a lift, and to provide itself with \$25,965.36 in cash of which \$20,965.36

would be retained for working capital and \$5,000 would be used for bins and overhauling of equipment, applicant proposes to issue a \$150,000 note in favor of Atlantic Savings and Loan Association. Although the copy of the proposed note attached to the application indicates an interest rate of 8% per annum, applicant reports that the lender is agreeable to a 6-1/2% interest rate. The indebtedness will be repayable in monthly installments of \$1,313 and will be secured by a deed of trust.

The Commission has considered this matter and finds that: (1) the proposed note issue is for proper purposes; (2) prevailing financial conditions should enable applicant to obtain the proposed financing at an interest rate of not to exceed 6-1/2% per annum; (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 purposes specified herein; and (4) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted subject to the condition that the interest rate on the note shall not exceed 6-1/2% per annum. The authorization herein granted is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. B-Lo Cold Storage Co., on or after the effective date hereof and on or before September 30, 1964, for the purposes set forth in this proceeding, may execute a deed of trust and may issue a note in the principal amount of not to exceed \$150,000, 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 on the note shall not exceed 6-1/2% per annum.

2. B-Lo Cold Storage Co. 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 B-Lo Cold Storage Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$30.

Dated at San Francisco, California, this 10th day of June, 1964.

William W. Dumas  
President

W. E. ...

...

George H. ...

Frederic B. Holtschoff  
Commissioners

