

**ORIGINAL**

Decision No. 67712

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of LOMPOC WAREHOUSE CORPORATION to issue a \$35,000.00 Note and Deed of Trust and Chattel Mortgage in security therefor.

Application No. 46817  
Filed July 17, 1964

O P I N I O N

In this application, Lompoc Warehouse Corporation requests an order of the Commission authorizing it to execute a deed of trust and a mortgage of chattels, and to issue a \$35,000 note.

Applicant is a California corporation engaged in the business of cleaning dry beans and mustard seeds and in operating as a public utility warehouseman in the City of Lompoc, Santa Barbara County, pursuant to a prescriptive operative right. Said right authorizes the operation of 20,736 square feet of storage or warehouse floor space, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code. The balance sheet, attached to the application, indicates that at July 31, 1963 total assets of \$155,744 were offset, for the most part, by stockholders' equity amounting to \$140,961 and a \$12,500 long-term loan. Reported revenues and net income for the fiscal year ended July 31, 1963 were \$70,765 and \$7,521, respectively.

The company alleges that its existing warehouse storage capacity will be inadequate to meet anticipated future demands and it plans to increase floor space 6,144 square feet by constructing additional facilities at an estimated cost of \$25,000. Applicant proposes to issue a \$35,000 promissory note in favor of Bank of America National Trust and Savings Association for the purposes of financing such construction cost and repaying a bank obligation of \$10,000. Said note will be secured by a deed of trust and a mortgage of chattels, and repayment of principal will be made in annual installments of \$3,500, plus interest at the rate of 5-3/4% per annum.

The Commission has considered this matter and finds that: (1) the proposed note issue is for proper purposes; (2) 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 (3) 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. The authorization herein given 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. Lompoc Warehouse Corporation, on or after the effective date hereof and on or before October 31, 1964, may issue a promissory note in the principal amount of not to exceed \$35,000 for the purposes specified in this proceeding, and may execute a deed of trust and a mortgage of chattels, which documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Lompoc Warehouse Corporation shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Lompoc Warehouse Corporation has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$35.

Dated at San Francisco, California, this 18<sup>th</sup> day of AUGUST, 1964.

Frederick B. Hallock  
President

George T. Linner  
Commissioners

William L. Benda  
Commissioners

