

ORIGINAL

Decision No. 67866

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
)
 HOPPER MACHINE WORKS, INC., doing)
 business as Bakersfield Ice & Cold)
 Storage Co.,)
)
 for an order authorizing Applicant)
 to borrow money and giving as security)
 for the repayment thereof a Deed of)
Trust on utility real property.)

Application No. 46929
Filed August 26, 1964

O P I N I O N

Hopper Machine Works, Inc., doing business as Bakersfield Ice & Cold Storage Co., requests an order of the Commission authorizing it to execute a deed of trust and to issue a note in the principal amount of \$96,000 for the purpose of discharging an outstanding indebtedness of like amount.

Applicant is a California corporation engaged in business as a public utility cold storage warehouseman in the City of Bakersfield. The company also conducts a nonutility enterprise which includes machine shop, manufacturing and industrial supply activities. The application shows that the cold storage plant and business were acquired pursuant to authority granted by Decision No. 63977, dated July 24, 1962, in Application No. 44558; that said decision also authorized the issuance of a 6% note in the principal amount of \$120,000, secured by a deed of trust, in part payment therefor; and that a balance of \$96,000 is outstanding on such obligation.

Applicant asserts that the required annual payment of \$24,000 on principal, plus interest, is placing an undue hardship on its operations and that it desires to extend the installments over a ten-year period so that it may have more funds available for development and improvement of its warehouse service to the public. To accomplish its objective, the company proposes to discharge the outstanding debt with funds to be obtained from the issue of a \$96,000 note in favor of Bank of America National Trust and Savings Association. The borrowing will be secured by a deed of trust and will be repayable in quarterly installments of \$2,400 on principal, plus interest at the rate of 6% per annum.

The Commission has considered this matter and finds that: (1) the proposed note issue is for a proper purpose; (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 purpose specified herein; and (3) such purpose is 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. On or after the effective date hereof and on or before December 31, 1964, Hopper Machine Works, Inc. may issue a note in the principal amount of not to exceed \$96,000 for the purpose specified in this proceeding, and may execute a deed of trust, which documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Hopper Machine Works, Inc. 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. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 22nd day of September, 1964.

Frederick B. Hallock
President

George L. Hoover
Commissioner

William A. Bennett
Commissioner