

ORIGINAL

Decision No. 68547

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )  
YUBA CITY REFRIGERATING COMPANY )  
for an order authorizing it to )  
execute its Promissory Note to )  
Crocker-Citizens National Bank )  
and to secure the same by Deed )  
of Trust on utility property. )

Application No. 47232  
Filed January 5, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Yuba City Refrigerating Company to execute a deed of trust and to issue a note in the principal amount of not to exceed \$120,000.

Applicant is a California corporation engaged in business as a public utility cold storage warehouseman pursuant to the prescriptive operative right determined by the Commission on August 16, 1960, in Case No. 6811. Said right authorizes operation of 67,640 square feet of storage or warehouse floor space in Yuba City, Sutter County, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.

The balance sheet attached to the application as part of Exhibit A indicates as of November 30, 1964, that the corporation's total assets of \$520,246 were offset by common stock

equity amounting to \$464,430 and by current liabilities and reserves totaling \$55,816. For the seven-month period ended November 30, 1964, applicant reports gross revenues and net profit of \$244,966 and \$103,271, respectively.

The company asserts that business volume and customer demands for space have increased to the extent that it now proposes to construct two additional storage rooms and to convert an existing corridor to a freezer holding room. According to the application, the two storage rooms will be housed in a 10,000 square foot wood frame structure costing an estimated \$75,000 and the conversion of the corridor into a holding room comprising 1,700 square feet will cost about \$15,000. Applicant alleges further that additional working capital of \$30,000 will be required to aid in the conduct of its operations until the end of August, 1965 when it anticipates the receipt of funds from its peak summer period will commence.

The company requests authority to issue an installment note in favor of Crocker-Citizens National Bank in the principal amount of \$120,000 for the purposes of financing construction costs of \$90,000 and obtaining \$30,000 working capital. The proposed note will be repayable in equal annual installments of \$16,305 each, including interest at the rate of 6% per annum, and repayment 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) 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.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. 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. Yuba City Refrigerating Company, on or after the effective date hereof and on or before June 30, 1965, may execute a deed of trust and may issue a note in the principal amount of not to exceed \$120,000 for the purposes specified in this proceeding. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.
2. Yuba City Refrigerating Company 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 Yuba City Refrigerating Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$120.

Dated at San Francisco, California,  
this 9<sup>th</sup> day of FEBRUARY, 1965.

Frederick B. Holshoff  
President

George C. Hoover

William B. Brown

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
**PAID**  
FEB 15 1965  
32085  
By [Signature]