

69060

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of GEORGE A. MYERS, KARL D.)
GENTRY, PERCY MURRAY, RICHARD M.)
SMITH, and ROSEMARY JUNE MYERS,)
co-partners dba TULELAKE COLD)
STORAGE CO., for authorization)
to issue promissory note and)
encumber public utility property.)

Application No. 47524
Filed April 27, 1965

O P I N I O N

This is an application for an order of the Commission authorizing George A. Myers, Karl D. Gentry, Percy Murray, Richard M. Smith and Rosemary June Myers, copartners doing business as Tulelake Cold Storage Co., to execute a deed of trust and to issue a note in the principal amount of \$125,000.

Applicants are engaged in business as a public utility cold storage warehouseman pursuant to the prescriptive operative right set forth in Decision No. 67776, dated August 25, 1964, in Application No. 46791. Said right authorizes the operation of 144,000 square feet of storage or warehouse floor space at Tulelake, Siskiyou County, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.

The financial statements attached to the application as Exhibit C indicate that as of December 31, 1964, applicants' net investment in fixed assets after deducting the depreciation

reserve was \$133,761, that net current assets amounted to \$48,315, and that partnership equity totaled \$182,076. For the six months ended December 31, 1964, applicants report gross income and net income of \$66,830 and \$34,209, respectively. Their annual report for the fiscal year ended June 30, 1964, shows gross income amounting to \$136,032 and net income of \$46,518.

According to the application, the copartners require additional facilities to accommodate the increased needs for storage and they contemplate the construction of a new warehouse building containing 22,000 square feet of storage space and all necessary refrigeration machinery to meet such needs. To finance the cost of said improvements, applicants request authority to issue an installment note in favor of Bank of America National Trust and Savings Association in the principal amount of \$125,000. The proposed note will be repayable in ten equal annual installments of \$12,500 each, plus interest at the rate of 6% per annum. The indebtedness evidenced by said 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) 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.

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. George A. Myers, Karl D. Gentry, Percy Murray, Richard M. Smith and Rosemary June Myers, on or after the effective date hereof and on or before December 31, 1965, may execute a deed of trust and may issue a note in the principal amount of not to exceed \$125,000 for the purpose 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. Applicants 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 applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$125.

Dated at Los Angeles, California, this 18th day of MAY, 1965.

Frederick B. Goldschoff
 President

George E. Hoover
 Commissioners

Commissioner A. W. GATOV
present but not voting.

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

