

ORIGINAL

Decision No. 70189

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
SOUTH COAST PACKING COMPANY, INC.,)
a corporation,)
for an order authorizing)
execution of evidence of)
indebtedness and encumbrance)
of public utility property.)

Application No. 48159
Filed December 30, 1965
and Amendment
Filed January 7, 1966

O P I N I O N

This is an application for an order of the Commission authorizing South Coast Packing Company, Inc. to execute a Deed of Trust and a Security Agreement and to issue a note in the principal amount of \$75,000.

Applicant is a California corporation operating a public utility warehouse in the City of Los Angeles for the storage of commodities requiring temperature control but not requiring maintenance of temperatures below 30° Fahrenheit.

In this proceeding the company requests authority to issue a \$75,000 promissory note in favor of the Small Business Administration. Said note will be repayable in monthly installments of \$976 each, including interest at the rate of 5.5% per annum, and will be secured by a Deed of Trust and a Security Agreement. Applicant proposes to apply \$74,962.83 of the note proceeds toward reducing debt and accounts payable

of which, according to information filed in this proceeding, the corporation incurred \$28,400 for purchasing real property, \$15,000 for construction, \$1,534 for new equipment and \$30,028.83 for working capital purposes. It appears that the \$37.17 balance of the proceeds will also be utilized as working capital.

Applicant reports that a sale of its nonutility rental property on Hemlock Street in Los Angeles is necessary to meet conditions for the Small Business Administration loan. Said property will be sold at a price of \$215,000, of which \$176,559 will be in the form of cash and the balance of \$38,441 is to be received in monthly installments of \$600 each, including interest at the rate of 7.2% per annum. According to the application the \$176,559 cash proceeds will be used to discharge notes in connection with which the company reports that its current annual installments aggregate \$43,436.

The Commission has considered this matter and finds that: (1) the proposed note issue is for proper purposes; (2) the execution of a Deed of Trust and a Security Agreement will not be adverse to the public interest; (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.

On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary. The authorization herein given is for the purpose

of this proceeding only and 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 April 30, 1966, South Coast Packing Company, Inc. may execute a Deed of Trust and a Security Agreement and may issue a note in the principal amount of not to exceed \$75,000 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. South Coast Packing Company, 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. This order shall become effective when South Coast Packing Company, Inc. has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$75.

Dated at San Francisco, California, this 11th day of January, 1966.

Fredrick B. Holbrook
President

John E. ...

George L. Brewer

Augustor

William W. Bennett
Commissioners

