

ORIGINAL

Decision No. 70805

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter)
 of)
 PATTERSON WAREHOUSE CO., a)
 California corporation,)
 to borrow money.)

Application No. 48477
 Filed May 17, 1966

O P I N I O N

Patterson Warehouse Co. is a California corporation conducting public utility warehouse operations and certain nonutility activities at Patterson, Stanislaus County.

Applicant requests authorization from the Commission to issue promissory notes, and notes renewing said notes, in the aggregate principal amount of not to exceed \$100,000 for the purpose of obtaining working capital.

The application shows that the company has arranged for a five-year loan from Wells Fargo Bank to be represented by notes aggregating \$100,000, maturing in one year and subject to renewal at prevailing interest rates. In accordance with the terms and conditions of said loan, applicant proposes to reduce the amount borrowed by at least twenty percent annually. The note, or notes, to be issued initially will bear interest at the rate of 6-3/4% per annum. Exhibit C, attached to the application, is a copy of a Continuing Guaranty to be executed by applicant's shareholders designating them as

guarantors of the proposed notes. The combined net worth of said shareholders is reported to be in excess of \$5,000,000.

The Commission has considered this matter and finds that: (1) the proposed notes are for proper purposes; (2) the money, property or labor to be procured or paid for by the issue of the notes 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 authority herein granted 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 subject to the execution of a Continuing Guaranty by its shareholders, Patterson Warehouse Co. may issue promissory notes, and notes renewing said notes, in the aggregate principal amount of not to exceed \$100,000 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, except that renewal notes shall bear interest at not to exceed prevailing rates.

2. Patterson Warehouse Co. 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 Patterson Warehouse Co. has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$100.

Dated at San Francisco, California, this 8th day of JUNE, 1966.

Fredrick B. Holdhoff
 President

George F. Traver

Richard

Commissioners

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

