

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of

PATTERSON FROZEN FOODS WAREHOUSE, a California corporation, for authority to issue a \$900,000 note and to encumber utility property.))))))	Application No. 50909 Filed February 25, 1969
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O P I N I O N

Patterson Frozen Foods Warehouse requests an order of the Commission authorizing it to issue a note in the principal amount of \$900,000, and to execute and deliver a Deed of Trust and a Security Agreement.

Applicant is a California corporation operating as a public utility warehouseman at Patterson pursuant to the prescriptive operative right determined on August 1, 1960, in Case No. 6737. For the fiscal year ended March 31, 1968, the company reports operating revenues of \$558,057 and a net income of \$37,043 after deducting \$138,176 for plant depreciation expenses. As of March 31, 1968, applicant reports assets and liabilities as follows:

Assets

Warehouse utility plant less depreciation reserve	\$1,216,011
Current assets	<u>52,715</u>
Total	<u>\$1,268,726</u>

Liabilities

Equity	\$ 639,135
Advances from associated companies	518,849
Current and accrued liabilities	<u>110,742</u>
Total	<u>\$1,268,726</u>

Said prescriptive operative right authorizes the operation at Patterson of 56,160 square feet of storage or warehouse floor space, exclusive of the 50,000 square feet of expansion permissible under Section 1051 of the Public Utilities Code. Applicant reports that as of March 31, 1968, its facilities consisted of approximately 77,616 square feet of storage space, which is fully devoted to the storage of frozen foods.

The corporation proposes to acquire additional land and to construct warehouse storage facilities thereon, which will increase its storage space by approximately 30,400 square feet. The application shows that all except 5,000 square feet of the resulting total storage space of approximately 108,016 square feet will be dedicated to public utility storage, and that no more than 106,160 square feet of storage space will be so dedicated at any time.

According to the application, the proposed additional warehouse storage space will be contained in an approximately 190' x 160' concrete and steel frame building equipped with freezing coils, blower units, fork-lift trucks, storage pallets and stacking irons.

Applicant proposes to issue a note in favor of First Western Bank and Trust Company in the principal amount of \$900,000 repayable in monthly installments of \$10,800 including interest computed at the rate of 6-3/4% per annum on unpaid principal, which note will be secured by a Deed of Trust and a Security Agreement. Individuals and organizations affiliated with applicant will join in signing the note and Security Agreement.

The public utility will expend the note proceeds approximately as follows:

Refund advances used to finance construction of portion of present storage facilities	\$357,500
Purchase of land	11,016
Proposed construction of warehouse and installation of equipment	500,000
Working capital	<u>31,484</u>
Total	<u>\$900,000</u>

After consideration the Commission finds that:

1. The proposed increase in storage or warehouse floor space will not require a certificate of public convenience and necessity.
2. The proposed note is for proper purposes.
3. Applicant has the financial resources to service the proposed indebtedness.
4. 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, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.
5. The proposed Deed of Trust and Security Agreement will not be adverse to the public interest.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The authorization 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

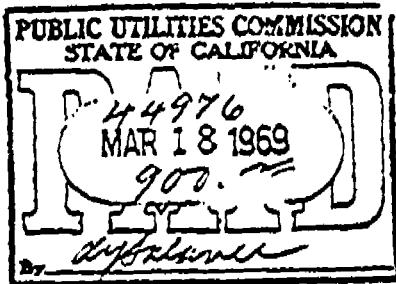
IT IS ORDERED that:

1. Patterson Frozen Foods Warehouse, a corporation, on or after the effective date hereof and on or before June 30, 1969, for the purposes specified in this proceeding, may issue a note in the principal amount of not exceeding \$900,000, and may execute and deliver a Deed of Trust and a Security Agreement. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Patterson Frozen Foods Warehouse, a corporation, 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 Frozen Foods Warehouse, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$900.

Dated at San Francisco, California, this 19th day of MARCH, 1969.



William A. ... President
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Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.