

ORIGINAL

Decision No. 79201

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SAN FRANCISCO WAREHOUSE)
COMPANY, a corporation, for an)
order authorizing execution of)
promissory notes and deed of)
trust.)
_____)

Application No. 52864
Filed September 15, 1971

O P I N I O N

San Francisco Warehouse Company seeks an order of the Commission authorizing it to issue three notes in the aggregate principal amount of \$343,822.49, and to execute a Deed of Trust.

Applicant is a California corporation operating as a public utility warehouseman. It also conducts trucking operations as a certificated and permitted carrier. The company's balance sheet as of June 30, 1971 is summarized from Exhibit A, attached to the application, as follows:

Assets

Current assets	\$ 130,524
Net tangible assets	1,119,282
Other assets	65,487
Total	<u>\$1,315,293</u>

Liabilities

Current liabilities	\$ 61,298
Long-term debt, excluding current portion	545,540
Common stock equity	694,039
Other liabilities	14,416
Total	<u>\$1,315,293</u>

By Decision No. 73421, dated December 5, 1967, in Application No. 49788, the Commission authorized applicant herein to issue a 6-3/4% note in the principal amount of \$410,000, and to execute a Deed of Trust securing said note. The application shows that the company failed to exercise the authority, and left outstanding an earlier unauthorized note in the same amount and repayable in monthly installments of \$4,764 including interest at the rate of 6-3/4% per annum, the outstanding balance being \$274,300.97. Furthermore, it appears that in order to obtain additional funds for constructing improvements on its property, on May 26, 1969 applicant issued a note in the amount of \$31,000 repayable in monthly installments of \$424 including interest at the rate of 7-1/2% per annum, the outstanding balance being \$24,521.52. According to the application, the foregoing transactions were accomplished through inadvertence without first seeking authority from this Commission as required by the Public Utilities Code.

In this proceeding the utility proposes to replace said unauthorized notes with new notes in the principal amounts of their respective outstanding balances and upon the same terms as the unauthorized notes. Moreover, it proposes to borrow an additional \$45,000 for the purpose of making further improvements. Said additional borrowing would be evidenced by a note repayable in monthly installments of \$811.15, including interest at the rate of 9% per annum. The three proposed notes would be secured by a proposed Deed of Trust on applicant's property.

After consideration the Commission finds that:

1. Applicant, through inadvertence, issued notes in the principal amounts of \$410,000 and \$31,000 for proper purposes prior to receiving authority to do so from this Commission.

2. Said notes are void under Section 825 of the Public Utilities Code.
3. The proposed notes are for proper purposes.
4. 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, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.
5. The proposed Deed of Trust would 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. San Francisco Warehouse Company, on or after the effective date hereof and on or before December 31, 1971, for the purposes specified in the application, may issue notes in the principal amounts of not exceeding \$274,300.97, \$24,521.52 and \$45,000. The notes shall be in substantially the same form as Exhibit B, attached to the application, provided that each note shall contain terms consistent with the application.
2. San Francisco Warehouse Company may execute and deliver a Deed of Trust in substantially the same form as Exhibit C attached to the application.

3. San Francisco Warehouse 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.

4. This order shall become effective when San Francisco Warehouse Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$688.

Dated at San Francisco, California, this 5th day of OCTOBER, 1971.

[Signature]
Chairman
[Signature]
[Signature]
Commissioners

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

