

Decision No. 79612

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of S. AND S. )  
 WAREHOUSE COMPANY INC. for )  
 authorization to refinance )  
 long term note & encumber )  
 real and personal property )  
 of the corporation at East )  
 Nicolaus, California. )  
 \_\_\_\_\_ )

Application No. 53068  
Filed December 23, 1971

O P I N I O N

S. and S. Warehouse Company Inc. seeks an order of the Commission authorizing it to issue promissory notes in the principal amounts of \$63,560 and \$50,000, and to execute a Deed of Trust.

Applicant is a California corporation operating as a public utility warehouseman in East Nicolaus. In addition, it is engaged in various nonutility activities. For the fiscal year ended September 30, 1971, the company reports total operating revenues and net income of \$74,043 and \$10,496, respectively. Its total assets at September 30, 1971, are reported as \$168,080, offset by common stock equity, long-term debt and other liabilities in the respective amounts of \$134,757, \$20,340 and \$12,983.

The utility proposes to borrow \$113,560 from Bank of America National Trust and Savings Association for the purposes of (a) retiring the outstanding \$13,560 balance of a previously

authorized note, and (b) purchasing a 143' x 290' building site in Salinas and constructing a commercial building thereon. The proposed building and building site would be used for nonutility purposes.

The borrowing would be evidenced by (1) a \$63,560 note repayable in ten annual installments of \$6,356 each plus interest at the rate of 8-3/4% per annum, and would be secured by a proposed Deed of Trust encumbering applicant's East Nicolaus properties, and (2) a \$50,000 note repayable in ten annual installments of \$5,000 each plus interest at the rate of 8-3/4% per annum, secured by a proposed Deed of Trust encumbering the nonutility properties at Salinas.

The application shows that the Salinas properties would be leased for a period of not less than ten years at an agreed rental of \$18,000 per year.

After consideration the Commission finds that:

1. The proposed Deed of Trust encumbering public utility property would not be adverse to the public interest.
2. The proposed note issues are for proper purposes.
3. 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.

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

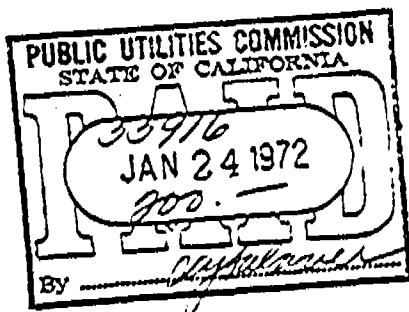
IT IS ORDERED that:

1. S. and S. Warehouse Company Inc., on or after the effective date hereof and on or before April 30, 1972, for the purposes specified in the application, may issue notes in the principal amounts of not exceeding \$63,560 and \$50,000, and may execute a Deed of Trust. The documents shall be in substantially the same forms as those attached to the application.

2. S. and S. Warehouse 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 S. and S. Warehouse Company Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$200.

Dated at San Francisco, California, this 18th day of January, 1972.



[Signature]  
Chairman

[Signature]  
Commissioner

[Signature]  
Commissioners

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