

Decision No. 84432**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)

UNITED COLD STORAGE, a California)
 corporation, for authority to)
 issue a \$240,000 promissory note)
 and encumber utility property.)

Application No. 55647
 (Filed April 23, 1975)

O P I N I O N

United Cold Storage seeks authority to issue a \$240,000 note, and to execute and deliver a Deed of Trust.

Applicant is a California corporation operating as a public utility cold storage warehouseman in South San Francisco. For the year 1974, it reports operating revenues and net income in the respective amounts of \$265,722 and \$5,576.

In order to obtain funds for repaying the outstanding \$54,532 balance of a previously authorized note, and providing a portion of the construction cost for expanding its warehouse facilities, applicant proposes to borrow \$240,000 from Wells Fargo Bank, National Association. The borrowing would be evidenced by a promissory note repayable in monthly installments of \$2,355, including interest at the rate of 10% per annum, and would be secured by a proposed Deed of Trust.

Assuming only 40% occupancy of the increased storage space amounting to 5,000 square feet, applicant anticipates additional revenues of \$3,500 per month. At 100% occupancy, the estimated additional monthly revenues would increase to \$7,900.

After consideration the Commission finds that:

1. The proposed Deed of Trust would not be adverse to the public interest.
2. The proposed note would be for proper purposes.
3. The money, property or labor to be procured or paid for by 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.
4. The additional storage space is within the expansion permissible under Section 1051 of the Public Utilities Code.

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. United Cold Storage, on or after the effective date hereof and on or before August 31, 1975, for the purposes specified in this proceeding, may execute and deliver a Deed of Trust, and may issue a note in the principal amount of not exceeding \$240,000. The documents shall be in substantially the same forms as those attached to the application.

2. United Cold Storage 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 United Cold Storage has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$372.

Dated at San Francisco, California, this 13th day of May, 1975.

Vernon L. Lutzgen
President
William J. Lutzgen
Edward J. Lutzgen
Robert Lutzgen
Commissioners

