

ORIGINAL

Decision No. 44787

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SANTA CLARA COLD STORAGE & FREEZER CO.,	:	
a California corporation, to Issue)	Application
and Sell Capital Stock.	:	No. 31731
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O P I N I O N

This is an application by Santa Clara Cold Storage & Freezer Co., a corporation, for authority to issue and sell, at par for cash, 2,500 shares of its capital stock of the par value of \$100 each.

Applicant is a corporation organized under the laws of the State of California on or about August 9, 1950, with an authorized capital stock of \$1,000,000, divided into 10,000 shares of the par value of \$100 each. The application indicates that it was organized primarily by members of the Santa Clara Pear Association, a co-operative of pear growers, for the purpose of engaging in the construction and operation of a plant in Santa Clara for the handling and cold storage of fruits, vegetables and other commodities. To that end it proposes to acquire seven acres of land from Santa Clara Pear Association, and to construct thereon a plant consisting of six storage rooms of an aggregate capacity of 480,000 cubic feet, and to equip the same with refrigeration equipment. The estimated cost of the property and facilities to be acquired and constructed is reported at \$352,825, segregated as follows:

Land-7 acres at \$2,500.00	\$ 17,500.00
Spur track-200 feet at \$8.50	1,700.00
Spur track crossing	2,500.00
Paving for fork truck operation	7,434.00
60 ft. truck scales	5,000.00
Pave roadway	840.00
Cost of 6 storage rooms insulated	206,498.00
Sewer connection	500.00
Cost of refrigeration equipment complete	102,853.00
2 fork lift trucks at \$4,000.00	<u>8,000.00</u>
Total	<u>\$352,825.00</u>

In addition to the amounts necessary for the foregoing purposes, applicant reports that it will have need for operating capital in the amount of \$72,175.

It appears that the proposed plant will be used primarily for the cold storage of pears. Applicant reports that the present facilities of Santa Clara Pear Association are inadequate, with resultant loss to grower members caused by the necessity of storing their crops elsewhere. Applicant estimates that with a 50% occupancy of the proposed facilities, it will have revenues of \$110,720 and net profit of \$49,210.

Applicant's total estimated capital expenditures and the amounts reported necessary for working capital aggregate \$425,000, of which \$250,000 will be provided through the proposed stock issue. Applicant reports that the remaining \$175,000 will be obtained from borrowed funds. In this application, however, it seeks authority to issue only the shares of common stock.

An order will be entered granting applicant's request.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing thereon is not

necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required by applicant for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Santa Clara Cold Storage & Freezer Co., after the effective date hereof and on or before June 30, 1951, may issue and sell, at par for cash, not exceeding 2,500 shares of its capital stock of the aggregate par value of \$250,000, and use the proceeds to finance in part the cost of the facilities referred to in this application and to provide working capital to maintain its service.

2. Applicant shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 19th day of September, 1950.

P. F. [Signature]
Justice J. [Signature]
Des [Signature]

Commissioners