

ORIGINAL

Decision No. 47370

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
TERMINAL REFRIGERATING COMPANY, a)
corporation, for authorization to)
purchase capital stock of a public)
utility.)
-----)

Application
No. 33520

O P I N I O N

Terminal Refrigerating Company, applicant herein, is a corporation engaged in business as a public utility warehouseman in Los Angeles. It now seeks authorization to purchase all the outstanding capital stock of Burbank Refrigerating Company, a public utility warehouseman operating in Burbank, for the sum of \$285,600, payable in full in cash upon consummation of the transaction.

The 1951 annual report of Burbank Refrigerating Company shows that it had outstanding at the close of the year 1,150 shares of stock of the aggregate par value of \$115,000, held in equal proportions by David Rasky, Sally Rasky and Dr. E. M. Robbins. Exhibit B filed in the present proceeding shows the company's investment in its fixed assets as of April 30, 1952, after deducting the accumulated depreciation reserve, at \$659,174 and in current and prepaid assets at \$103,382, a total of \$762,556 which has been paid or provided, according to the financial statement, by current and long-term liabilities of \$550,047 and equity capital, including the \$115,000 of stock, of \$212,509. The company's revenues and expenses for the years 1950 and 1951 and the first four months of 1952 have been reported to the Commission as follows:

	<u>1950</u>	<u>1951</u>	<u>1952</u> <u>4 Months</u>
Warehouse operating income -			
Operating revenues	\$212,536	\$229,885	\$97,213
Operating expenses	<u>147,778</u>	<u>158,969</u>	<u>60,029</u>
Net warehouse revenues	64,758	70,916	37,184
Other revenues-net	290	5,580	919
Gross corporate income	65,048	76,496	38,103
Interest and other deductions	<u>36,141</u>	<u>28,203</u>	<u>9,080</u>
Balance	28,907	48,293	29,023
Federal income taxes	<u>10,650</u>	<u>16,778</u>	<u>(1)</u>
Net income	<u>\$ 18,257</u>	<u>\$ 31,515</u>	<u>\$29,023</u>

(1) Not reported in application.

Terminal Refrigerating Company as of May 31, 1952, according to Exhibit A filed in this proceeding, had invested \$458,143 in its fixed assets after deducting the accumulated depreciation reserve, and \$770,916 in current and prepaid assets, making a total investment of \$1,229,059 which it has paid or provided through liabilities and other credits of \$382,268 and equity capital of \$846,791. This company reported total income for the first five months of 1952 at \$370,924 and net profit of \$51,039 after making provision for income taxes.

The application shows that there will be no change in the rates and service offered to the public by Burbank Refrigerating Company.

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 and that the acquisition of the stock by Terminal Refrigerating Company will not be adverse to the public interest; therefore,

IT IS HEREBY ORDERED as follows:

1. Terminal Refrigerating Company, after the effective date hereof, may acquire all the outstanding stock of Burbank

Refrigerating Company under the terms and conditions set forth in this application.

2. The action taken herein shall not be construed to be a finding of the value of the stock or properties of Burbank Refrigerating Company.

3. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 30th day of June, 1952.

A. J. [Signature]
President
Harold P. Hube
Francis [Signature]
John E. [Signature]
Commissioners