

TRINITY ORIGINAL

Decision No. 48113

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SECURITY WAREHOUSE &)	
COLD STORAGE COMPANY to issue its	:	
secured note in face amount of)	
\$28,987.50 (more or less) for the	:	Application
purpose of financing in part the)	No. 33954
purchase of 7.65 acres of land (more	:	
or less).)	
-----	:	

OPINION

This is an application for an order of the Commission authorizing Security Warehouse & Cold Storage Company to issue a note and to execute a deed of trust for the purpose of financing the cost of real property.

Among other things, applicant is engaged in operating a combination cold storage and ice plant, together with freezing facilities and packing houses, in Santa Clara and San Jose. In this application it reports that it desires to enlarge its facilities in San Jose and that it has arranged to purchase from American Home Foods, Inc. approximately 7.65 acres of land, more or less, the exact acreage to be determined by a new survey, at a price of \$5,750 an acre. Applicant has agreed to pay \$15,000 of the purchase price in cash and to issue a secured note in the face amount of \$28,987.50, or such other amount as may become necessary as a result of the resurvey of the property, in evidence of the remainder of the purchase price. It estimates that the final amount of the note will not vary more than 10% above or below \$28,987.50.

The proposed note will be issued in favor of American Home Foods, Inc., will bear interest at the rate of 4½% per annum, and will be payable in quarterly installments over a period of 36 months commencing three months after the date of the note.

Applicant's financial report covering its operations for the year 1951 shows operating revenues in the amount of \$1,108,617.19 and nonutility revenues of \$282,512.30, with net income for the year of \$112,847.87. Its financial position as of September 30, 1952, is shown in its balance sheet filed as Exhibit A in this proceeding. A summary of the same is as follows:

Assets

Tangible fixed assets -		
Land, buildings and equipment	\$2,846,676.25	
Less: depreciation reserve	<u>1,599,048.07</u>	
Net tangible fixed assets		\$1,247,628.18
Other investments		64,360.90
Current assets -		
Cash	418,650.07	
Accounts receivable	238,503.93	
Inventories	<u>10,899.48</u>	
Total current assets		668,053.48
Deferred charges		<u>36,179.37</u>
	Total	<u>\$2,016,221.93</u>

Liabilities

Notes payable		\$ 150,000.00
Current liabilities -		
Accounts payable	\$ 51,817.37	
Accrued taxes and wages	<u>80,211.59</u>	
Total current liabilities		132,028.96
Other credits		<u>37,777.68</u>
Total liabilities		319,806.64
Capital -		
Common stock	700,000.00	
Capital surplus	1,295.00	
Earned surplus	724,635.60	
Profit for year to date	<u>270,484.69</u>	
Total capital		1,696,415.29
	Total	<u>\$2,016,221.93</u>

Upon reviewing this application and also applicant's financial statements, it appears to us that its assets and earnings are ample to support the proposed note issue. In view of the fact that the exact amount has not been determined and may vary as much as 10% in excess of the amount indicated, the order herein will permit the issue of a note in the principal amount of not exceeding \$32,000.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

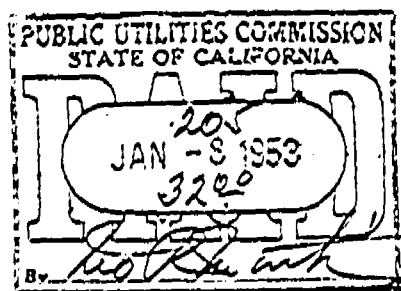
1. Security Warehouse & Cold Storage Company, on and after the effective date hereof and on or before April 30, 1953, may issue a note in the principal amount of not exceeding \$32,000 for the purpose of financing in part the cost of the real property referred to in this proceeding and may execute a deed of trust to secure the payment of the same, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding.

2. Applicant shall file with the Commission monthly 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 when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is thirty-two (\$32.00) dollars.

Dated at San Francisco, California, this 16th day of

January, 1953.



[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners