

ORIGINAL

Decision No. 48373

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
SOUTH SAN FRANCISCO COLD STORAGE AND	:	
WAREHOUSE CO., a corporation, for an	)	Application
order authorizing the issuance of	:	No. 34149
promissory notes, and an agreement.	)	
-----	:	

O P I N I O N

This is an application for an order authorizing South San Francisco Cold Storage and Warehouse Co. to issue two unsecured promissory notes in the aggregate principal amount of \$29,000 and to execute a conditional sale contract providing for deferred payments of \$21,465, for the purpose of financing additional freezing facilities.

Applicant, a California corporation organized in November, 1950, is engaged in business as a public utility warehouseman in the storage of perishable food products in South San Francisco. It proposes to construct a room for additional freezer and cold storage capacity 55' by 57' with a 12' height, and to purchase and install therein a 30 h.p. York refrigeration machine so as to keep the room on a minus 5° temperature basis, together with an automatic defrosting system.

In order to finance the proposed facilities applicant requests authorization as follows:

- (a) To issue to Dubuque Packing Company, an unsecured promissory note in the principal amount of \$22,000, payable in monthly installments of \$500 each, commencing April 15, 1953, and bearing interest at the rate of four percent per annum on unpaid principal.
- (b) To issue to Albert C. Freeman, one of its directors and its president, an unsecured promissory note in the principal amount of \$7,000, payable three years after date of issue, and bearing interest at the rate of four percent per annum payable annually.

- (c) To execute and deliver a conditional sale contract with Scatena York Company in the amount of \$21,465 (including a carrying charge of \$1,215), payable in monthly installments of \$894.34 each, commencing 30 days after installation of the equipment.

Applicant's financial statements filed in this proceeding show that during the period from November 1, 1951, to October 31, 1952, it had gross revenues of \$80,727.63 with expenses (including \$8,760.00 provision for depreciation) of \$76,601.29, leaving net income for the period of \$4,126.34. Its balance sheet shows its financial position as of October 31, 1952, as follows:

Assets

Current assets		\$ 7,141.79
Fixed assets -		
Machinery, equipment & leasehold improvements	\$57,428.46	
Less - accumulated depreciation	<u>12,431.86</u>	
Net fixed assets		44,996.60
Prepaid insurance		5,503.52
Prepaid interest		<u>771.33</u>
	Total	<u>\$58,413.24</u>

Liabilities and Capital

Current liabilities		\$22,006.99
Equipment and insurance contracts		2,280.46
Capital -		
Capital stock	\$30,000.00	
Surplus	<u>4,125.79</u>	
Total capital		<u>34,125.79</u>
	Total	<u>\$58,413.24</u>

It appears that applicant will have need for the proposed issues in order to finance its estimated construction costs. An order will be entered granting its requests.

ORDER

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 notes and the execution of the conditional sale contract 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,

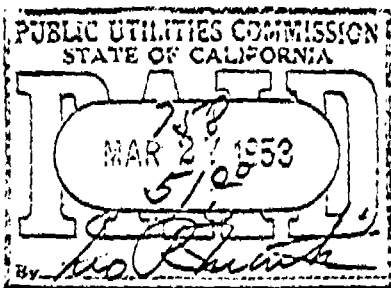
IT IS HEREBY ORDERED as follows:

1. South San Francisco Cold Storage and Warehouse Co., on and after the effective date hereof and on or before December 31, 1953, may issue two promissory notes, one in the principal amount of \$22,000 and the other in the principal amount of \$7,000, and may execute and deliver a conditional sale contract providing for deferred payments of \$21,465 for the purposes set forth in this application, such notes and contract to be in, or substantially in, the same form as those filed in this proceeding as Exhibit B.

2. Applicant shall file with the Commission a copy of each note and of the conditional sale contract as actually issued and executed, together with a statement showing the purposes for which the proceeds derived therefrom were expended, such filing to be made within 90 days after the dates of the notes and contract.

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 \$51.00.

Dated at San Francisco, California, this 24<sup>th</sup> day of March, 1953.



[Signature]  
President

Justus F. Carr

Harold A. Huls

[Signature]

[Signature]  
Commissioners