

**ORIGINAL**

Decision No. 48522

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
TURLOCK REFRIGERATING COMPANY,	)	
A corporation, for authority to	)	Application
issue capital stock and execute	)	No. 34278
evidence of indebtedness.	)	
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O P I N I O N

Turlock Refrigerating Company, applicant herein, is a California corporation organized on April 16, 1953, for the purpose of operating a cold storage plant for the warehousing of perishable foods and other products in Turlock. In this application it seeks authorization to issue and sell \$260,000 par value of its common stock and to execute mortgages or deeds of trust and to issue notes in the aggregate amount of \$275,000.

The application shows that applicant is undertaking to acquire three parcels of land containing more than eight acres, located on 5th Street between D and F Streets in Turlock, and to construct thereon a building containing four storage bays with available storage area of 432,000 cubic feet, and a fifth bay with a quick freeze room of 45,000 cubic foot capacity, a mechanical room and dry storage and office space, the building to be constructed of reinforced concrete. Applicant reports that its estimated capital requirements to purchase the land, to construct and equip the building and to provide working capital will amount to \$535,000, segregated as follows:

Land	\$ 28,000
Spur track	8,000
Building	128,625
Insulation	55,667
Refrigeration machinery	156,683
Electrical wiring and other work	17,000
Fork lift trucks, pallets, and other handling equipment	52,000
Furniture and fixtures	<u>3,000</u>
Subtotal	448,975
Organization expense and working capital, estimated	<u>86,025</u>
Total	<u>\$535,000</u>

It is estimated by applicant that its annual operating revenues at the outset will aggregate \$240,000 and its net income \$41,970, after making provision for operating expenses, depreciation, taxes, including federal taxes on income, and interest on borrowed moneys, all as shown in some detail in exhibits filed in this proceeding.

To meet the estimated capital costs applicant proposes to issue and sell 2,600 shares of its common stock, at the par value of \$100 a share without deduction for commission, to its incorporators and to others who are engaged in businesses which would be benefitted by the installation of the cold storage facilities. It proposes to finance the remainder of the costs with borrowed moneys and at this time is negotiating for loans in the aggregate amount of \$275,000, payable in annual installments of \$15,500 commencing October 1, 1954, with interest at the rate of 4½% per annum, payment to be secured by mortgages or deeds of trust.

It appears that applicant has received bids for its proposed construction and that it plans to undertake the work as soon as possible. Upon completion of the facilities it intends to

operate the same as a public warehouse and cold storage plant and to file with this Commission tariffs naming rates for such services. It has not, however, completed its final arrangements with respect to its proposed borrowings and accordingly we cannot make a final order in this proceeding at this time. We will, however, upon the basis of the information submitted in the verified application, authorize the issue and sale of the \$260,000 par value of stock, it being our opinion that the money, property or labor to be procured or paid for by the issue and sale of such stock 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.

Upon the filing by applicant of copies of the proposed notes and mortgages or deeds of trust, we will give further consideration to this application.

#### 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 and that the issue of 2,600 shares of stock should be authorized at this time; therefore,

IT IS HEREBY ORDERED as follows:

1. Turlock Refrigerating Company may issue and sell not exceeding 2,600 shares of its common stock at \$100 a share, for cash, on or before December 31, 1953, in order to finance in part the cost of real property, improvements and equipment and to provide working capital, all as set forth in this application.

2. Turlock Refrigerating Company 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 upon the date hereof.

Dated at San Francisco, California, this 28<sup>th</sup> day of April, 1953.

*R. J. [Signature]*  
President

*Harold [Signature]*

*[Signature]*

*[Signature]*

Commissioners