

ORIGINAL

Decision No. 48877

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
BEALL REFRIGERATING COMPANY, a	:	
California corporation, for authority	)	Application
to execute a note and lease a building	:	No. 34564
to be built from the proceeds of	)	
said note.	:	
-----	)	

OPINION AND ORDER

This is an application by Beall Refrigerating Company for authorization to issue a note in the principal amount of \$40,000.

Applicant is a California corporation engaged in the operation of cold storage facilities in Santa Clara. Under authorization granted by the Commission by Decision No. 45254, dated January 16, 1951, as amended, in Application No. 31992, it assumed the payment of indebtedness of \$185,000 represented by a note, a deed of trust and a chattel mortgage which were executed for the purpose of financing in part the cost of facilities. The principal amount of the note has been reduced to \$152,006.01 as of April 30, 1953.

The present application shows that applicant desires to make use of land which it now owns by erecting thereon a one-story refrigeration and office building at a cost of approximately \$50,000, and that it has made, or is making, arrangements to lease such premises, when completed, to Ferguson-Langfield Frozen Foods, Inc., a distributor of frozen commodities. Applicant desires to

meet a portion of the construction costs with moneys to be borrowed from First National Bank of San Jose, such borrowings to constitute an additional advance under its presently outstanding deed of trust and mortgage and to be represented by a note in the principal amount of \$40,000, payable in annual installments of \$4,200 with interest at the rate of 4% per annum.

The verified application shows that applicant has invested in its property, plant and equipment as of April 30, 1953, the amount of \$466,711.07, net after deducting depreciation reserves, and that it has financed its investment in its plant and also in its current assets through the issue of \$250,000 of stock and through the use of borrowed moneys. Its income account for the year ended April 30, 1953, shows revenues in the amount of \$155,240.45 and net income of \$18,275.46, after making provision for federal income taxes.

A review of the application indicates that applicant's assets and earnings should be ample to support the proposed additional borrowing. It is our opinion that a public hearing in this matter is not necessary, 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, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Beall Refrigerating Company may issue its promissory note in the principal amount of \$40,000, on or before December 31,

1953, for the purpose of financing in part the cost of constructing the facilities referred to in this application, and thereafter may enter into the lease of such facilities as indicated in the 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 \$40.00.

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

[Signature]  
President

[Signature]  
[Signature]

[Signature]

Commissioners

