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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
SANTA CLARA COLD STORAGE & FREEZER CO.,)
a California corporation, for permission)
to borrow money and execute notes and)
documents securing the same.)
-----)

Application
No. 36800

OPINION AND ORDER

Santa Clara Cold Storage & Freezer Co. has filed this application for authorization to execute a deed of trust and a mortgage of chattels and to issue notes in the principal amount of \$469,000 for the purpose of refinancing existing indebtedness and of expanding its facilities.

Applicant is engaged in the operation of public utility storage facilities in Santa Clara. It was organized in 1950 and as of the close of 1954 reports its net investment in fixed assets at \$834,604 and in current and prepaid assets at \$89,626, a total of \$924,230. Its financial statement shows that it has financed itself in part with equity funds of \$596,496 and in part with borrowed moneys in the amount of \$327,734. The items of indebtedness include three secured notes in favor of American Trust Company, one in the amount of \$120,000, the second in the amount of \$164,000, and the third in the amount of \$40,000, a total of \$324,000. The first of these notes bears interest at the rate of 4% per annum and the other two at the rate of 4-1/2% per annum.

It appears that applicant now desires to consolidate these three notes and to increase its borrowings by the sum of \$145,000. It reports that its business has been and is increasing and that it will need to construct an additional building to meet the demands for storage and to install additional freezing facilities. It presently owns sufficient land adjacent to its present structures upon which to erect the new plant.

Applicant's arrangements provide for total borrowings of \$469,000 which will be represented by two new notes, one in the amount of \$120,000 bearing interest at 4% per annum and payable in equal successive installments on the last day of September and December of each year in the amount of \$8,571.43 each, commencing on September 30, 1955, and continuing to December 31, 1961, at which time all principal and interest then owing will become due and payable. The other note will be in the principal amount of \$349,000 bearing interest at 4-1/2% per annum and payable in equal successive installments on the last day of September and December of each year in the amount of \$24,928.58 each, commencing, similarly, on September 30, 1955, and continuing to December 31, 1961, at which time all principal and interest then owing will become due and payable. The notes will be secured by a deed of trust and also by a mortgage of chattels on applicant's property and facilities.

The Commission has considered this matter and is 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 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. Santa Clara Cold Storage & Freezer Co., on or after the effective date hereof and on or before August 31, 1955, may issue two notes in the principal amounts of not exceeding \$349,000 and \$120,000, in substantially the same form as those attached to this application as Exhibit B, for the purposes specified in this application, and may execute a mortgage of chattels and a deed of trust in substantially the same form as those attached to this application as Exhibit C and Exhibit D, respectively.

2. Santa Clara Cold Storage & Freezer Co. 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 \$145.

Dated at San Francisco, California, this 12th day of April, 1955.

[Signature]
President

[Signature]
[Signature]
[Signature]

Commissioners

