

Decision No. 52840

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MARKET WHOLESale  
GROCERY CO., a corporation, for  
Approval of Amended Lease covering  
Real Property and Assets Leased  
for Public Utility Purposes.

Application  
No. 37786

OPINION AND ORDER

This is an application filed by Market Wholesale Grocery Co., a corporation, for authorization to enter into an amended lease agreement.

Applicant was organized under the laws of California in October of 1925 and for many years has been engaged in the distribution and sale of groceries and related commodities at wholesale. In 1955 it succeeded to the public utility cold storage and other activities of Ice Sickle Zero Storage, Inc., in Fresno and entered upon its operations in premises leased from Arden Farms Co., which premises subsequently were transferred to Market Wholesale Building Co. The acquisition of the public utility business and the execution of the lease agreement were approved by the Commission by Decision No. 51503, dated May 31, 1955. Both applicant and Market Wholesale Building Co. are subsidiaries of Arden Farms Co.

At this time applicant reports additional freezing and storage facilities are badly needed in the Fresno area and that demands for space and service by the public can not now be met by the plants in the area. Accordingly, arrangements have been made for the construction by Market Wholesale Building Co. of new

storage plant and freezing equipment in Fresno at a cost of \$250,000, and for the lease of such new facilities to applicant corporation. To carry out the leasing arrangements it is proposed for an amended lease to be executed which will convey to applicant, as lessee, the properties it now operates, and the additional properties to be constructed, for a period of 20 years, at a monthly rental of \$3,500. A copy of the form of the lease has been filed in this proceeding as Exhibit I. Arden Farms Co. will guarantee the obligations of applicant corporation under the proposed lease agreement.

Information filed with the Commission shows that storage capacity under the present operations is 192,000 cubic feet and that the new construction will afford increased capacity of 259,000 cubic feet. Freezing capacity is to be increased 30% over the present facilities, with space available for additional tunnels if needed.

From a review of the verified application we are of the opinion a public hearing is not necessary and an order should be entered approving the transaction, therefore,

IT IS HEREBY ORDERED as follows:

1. Market Wholesale Grocery Co., a corporation, may execute and enter into an amended lease in substantially the same form as that filed in this proceeding as Exhibit I.

2. The action taken herein shall not be construed to be a finding of the value of the properties referred to herein or of the reasonableness of the terms of the lease agreement.

3. The authority herein granted is effective upon the date hereof.

Dated at San Francisco, California, this 3<sup>rd</sup> day of April, 1956.

*Ed Mitchell*  
president

*Justin J. Casner*  
*Raymond L. Lister*  
*William J. Dooly*

Commissioners