

**ORIGINAL**

Decision No. 53136

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )	
of CENTRAL EUREKA CORPORATION, a : )	Application
corporation, for Authority to )	No. 38009
Issue Common Stock. )	
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O P I N I O N

Central Eureka Corporation has filed this application for authorization to issue 1,875,000 shares of its \$1 par value common stock.

Applicant was organized under the laws of California on October 29, 1894, and for many years conducted the operation of mining properties in Amador County, suspending such operations in 1954. Presently, it is engaged in cattle feeding, feed milling, and rice growing activities, including a small public utility warehouse operation in Sacramento Valley. According to its financial statements filed with the Commission, its utility operations account for a very small portion of its total revenues, its report for the fiscal year ended August 31, 1955, for example, showing storage and related revenues of \$54,928 and nonutility revenues of \$11,271,894.

The present application shows that the company now desires to extend its nonutility interests through the acquisition of all the outstanding stock of Flanders Mining Company, a Nevada corporation which holds or controls mining claims in Colorado, Utah, Wyoming, and New Mexico, all as set forth in some detail in engineering reports attached to the application.

Because of the limited warehouse operations now conducted by applicant it is a public utility corporation as defined in the Public Utilities Code, and as such is required to obtain from this

Commission approval of its security issues, even though its utility business constitutes but a small part of its total operations and such issues may be designed for nonutility purposes. In our opinion there is nothing in the Code to prohibit the Commission from authorizing a hybrid corporation such as applicant to issue its securities for nonutility purposes, provided that the utility business will not be burdened to support the private business. In the present case it appears to us that the issue of the shares as proposed will not be adverse to the interests of the patrons of the public utility warehouse owned and operated by applicant and we will enter an order approving the application. The action taken shall not be construed to be a finding of value of the consideration to be received by applicant for the issue of its shares.

We suggest to applicant, in the interest of corporate simplification, that it consider taking appropriate proceedings to separate its public utility warehouse operations from its other operations.

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, 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 stock herein authorized is reasonably required by applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Central Eureka Corporation may issue not exceeding 1,875,000 shares of its common stock on or before December 31, 1956, in exchange for the outstanding shares of stock of Flanders Mining Company.

2. Central Eureka Corporation shall file with the Commission a report, or 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 20 days from the date hereof.

Dated at San Francisco, California, this 28<sup>th</sup> day of May, 1956.

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President  
Justin J. Caswell  
Raulo Lehtinen  
Max D. ...  
R. Hardy  
\_\_\_\_\_  
Commissioners