

Decision No. 54733

ORIGINAL

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
execute evidences of indebtedness.

} Application No. 38884

O P I N I O N

In this application Turlock Refrigerating Company, a corporation, seeks authorization to issue a note in the principal amount of \$80,000 payable over a five-year period in 60 equal monthly installments with interest at the rate of 5-1/2% per annum.

Applicant is engaged in operating a quick-freezing plant and a cold storage warehouse at Turlock. It reports that presently its plant has 864,000 cubic feet of storage space but that its facilities have been inadequate to serve the customers in the area and that a considerable tonnage of perishable merchandise during the past season was hauled as much as 80 miles in order to find storage space.

In order to provide adequate facilities, applicant proposes to add 200,000 cubic feet of space to its plant by an addition to its existing warehouse structure, at an estimated cost of \$80,000, and to finance the same with moneys to be obtained from Bank of America National Trust and Savings Association through the issue of the note covered by this application. The structure will be erected on land already under first deed of trust to the Bank of America so no new instruments of this nature will be executed.

Financial statements filed by applicant show that its business has been increasing rapidly. In 1954 it reported gross revenues of \$175,629, in 1955 \$244,233 and in 1956 \$391,881. The company's operations have resulted in profits which, to the extent of \$190,696, have been retained in the business. As of January 31, 1957, applicant reports its assets, liabilities and capital, as follows:

<u>Assets</u>		
Property and equipment, less reserves		\$664,025
Other investments		8,930
Organization expense		1,956
Current assets	\$192,624	
Less current liabilities	<u>82,773</u>	<u>109,851</u>
Total		<u>\$784,762</u>
<u>Liabilities and Capital</u>		
Long-term debt		\$302,166
Common stock and surplus		<u>482,596</u>
Total		<u>\$784,762</u>

From a review of this application, we are of the opinion that applicant will have need for additional facilities, that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required for the purposes indicated herein and that the expenditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. Accordingly, we will enter an ex parte order approving the 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 application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Turlock Refrigerating Company may issue a promissory note on or before December 30, 1957, in the principal amount of \$80,000, payable over a period of five years, with interest at the rate of 5-1/2% per annum, for the purpose of financing the cost of the additions and improvements referred to in this application.

2. Applicant 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 when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$80.

Dated at Los Angeles, California, this 26th day of March, 1957.

[Signature]
President

[Signature]

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Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

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BY [Signature]