

Decision No. 75649

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 issue note and execute Deed of Trust.)

Application No. 51016
Filed April 21, 1969

O P I N I O N

Santa Clara Cold Storage & Freezer Co. requests an order of the Commission authorizing it to issue a note in the principal amount of \$270,000, and to execute and deliver a Deed of Trust.

Applicant is a California corporation operating as a public utility cold storage warehouseman at Santa Clara pursuant to the prescriptive operative right determined on July 26, 1960, in Case No. 6629. For the year 1968, the company reports warehouse operating revenues of \$332,847 and a net income of \$44,074. As of December 31, 1968, the utility reports total assets of \$806,757 offset by current liabilities, long-term indebtedness and capital in the amounts of \$74,069, \$163,142 and \$569,546, respectively.

Said prescriptive operative right authorizes the operation at Santa Clara of 48,000 square feet of storage or warehouse floor space, exclusive of the 50,000 square feet of expansion permissible under Section 1051, of the Public Utilities Code. In its 1968 annual report on file with this Commission the company reports 61,760 square feet of storage space dedicated to public utility storage.

In order to enable it to accommodate increasing business, applicant proposes to acquire approximately 17,000 square feet of

additional freezer storage space by erecting a "Soule-Temp-Con" insulated design building on property which it owns adjacent to its present facilities. The estimated total cost is \$270,000 for constructing the building, purchasing refrigeration and other necessary equipment, preparing the yard area for fork-lift and highway truck movement, and providing additional rail spur for rail cars.

The company proposes to obtain funds for meeting the proposed expenditures through issuing a note in the principal amount of \$270,000 in favor of Wells Fargo Bank. The note will be repayable in annual installments of \$22,500, and interest on unpaid principal will be payable quarterly at the rate of 8-1/2% per annum. A Deed of Trust will secure said note. Applicant estimates that the increased gross annual revenue to be derived from the additional storage building will approximate \$70,000 to \$100,000. It appears that the company will experience no difficulty in complying with the terms of the proposed note.

After consideration the Commission finds that:

1. The proposed increase in storage or warehouse floor space will not require a certificate of public convenience and necessity.
2. The proposed note is for proper purposes.
3. Applicant has the financial resources to service the proposed indebtedness.
4. The money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

5. The proposed Deed of Trust will not be adverse to the public interest.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The authorization herein granted is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Santa Clara Cold Storage & Freezer Co., on or after the effective date hereof and on or before December 31, 1969, for the purposes specified in this proceeding, may issue a note in the principal amount of not exceeding \$270,000, and may execute and deliver a Deed of Trust. Said documents shall be in the same form, or in substantially the same form, as those attached to the application as Exhibit A and Exhibit B.

2. Santa Clara Cold Storage & Freezer Co. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Santa Clara Cold Storage & Freezer Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$270.

Dated at San Francisco, California,
this 13th day of MAY, 1969.

William Sproull
President

August

Sheep P. Murray

X H. H. Davis

[Signature]
Commissioners

