

LEM

Decision No. 23203.

RECORDED
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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PURITAN ICE COMPANY)
for an order authorizing the issue) Application No. 15984
of its unissued first mortgage bonds.)

Lawrence L. Larrabee, for applicant.

BY THE COMMISSION:

SECOND SUPPLEMENTAL OPINION AND ORDER

In a supplemental petition filed in the above entitled matter on December 15, 1930, Puritan Ice Company asks for an order authorizing it to issue and sell at par \$30,000.00 of the bonds authorized by Decision No. 21724, dated October 28, 1929, for the purpose of reimbursing its treasury for capital expenditures heretofore made on its plants and properties.

The record shows that the Commission by Decision No. 21724, dated October 28, 1929, as amended by Decision No. 21884, dated December 7, 1929, authorized Puritan Ice Company to issue at par, on or before June 30, 1930, \$200,000.00 of its first closed fee and leasehold seven percent sinking fund gold bonds, due January 1, 1938, and to use \$170,000.00 of such bonds, or the proceeds therefrom, to pay indebtedness and to finance in part the cost of enlarging an ice plant and storage facilities at Guadalupe and of constructing an ice manufacturing plant, including provisions for day storage and packing houses, at Lompoc. The order, as amended,

provides that the proceeds from the remaining \$30,000.00 of bonds may be expended only for such purposes as the Commission might subsequently authorize.

In making this supplemental petition, the company reports that it has issued the \$170,000.00 of bonds for the purposes indicated in the Commission's orders and that it has completed the construction work referred to in connection with its Guadalupe and Lompoc properties. It alleges that a portion of its construction costs has been provided out of current earnings, statements attached to the petition showing uncapitalized expenditures of \$120,350.38. It therefore asks to be permitted to use the proceeds from the sale of the \$30,000.00 of bonds to reimburse its treasury, in part, for such expenditures. In this connection it reports its earned surplus, as of November 30, 1930, at \$62,077.31.

The Commission is of the opinion that this supplemental petition is not a matter on which a public hearing is necessary. It clearly appears that applicant has had expenditures for capital purposes in excess of \$30,000.00 which have not been paid or provided for through the issue of securities but which have been financed through the use of surplus earnings. In the Commission's opinion, the expenditures herein authorized were reasonably required by applicant and are not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 21724, dated October 28, 1929, as amended by Decision No. 21884, dated December 7, 1929, be, and it hereby is, modified so as to permit Puritan Ice Company to issue and sell, at not less than par plus accrued interest, on or before March 31, 1931, the remaining \$30,000.

of the bonds authorized by said Decision No. 21724, as amended, and to use the proceeds to reimburse its treasury because of expenditures of \$30,000.00 for capital purposes set forth in the supplemental petition filed in this matter on December 15, 1930 and referred to herein.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 21724, dated October 28, 1929, as amended, shall remain in full force and effect, except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 23rd day of December, 1930.

C. S. Sawyer

Leon C. Wheeler

Thos. G. Smith

Commissioners.