

Decision No. 24890

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CRYSTAL ICE AND COLD STORAGE CO.,
a California corporation, for author-
ity to issue its promissory note and
execute a deed of trust in security
for the payment thereof.

ORIGINAL
Application No. 18075

R. E. Brotherton, for applicant.

BY THE COMMISSION:

O P I N I O N

Crystal Ice and Cold Storage Co. has applied to the Railroad Commission for permission to execute a deed of trust and to issue a promissory note in the principal amount of \$32,500.00, due on or before April 6, 1934, with interest at the rate of not exceeding six percent per annum.

It appears that Crystal Ice and Cold Storage Co. is a corporation organized on or about May 7, 1925, under the laws of the State of California. It is engaged at present in the business of manufacturing and selling ice, in the business of a food warehouseman and in the business of buying and selling fuel and in dealing in ice refrigerators and accessories.

Its financial statements on file with the Commission indicate that but a small portion of its total operations are of a public utility nature, its 1931 statement, for example, showing public utility revenues of \$7,006.42 and its non-utility revenues of \$122,414.22. It appears that the company owns an ice-making and refrigerating plant and property situate at the corner of Sixteenth and "R" Streets, Sacramento. Its investment in its fixed capital is reported, as of

December 31, 1931, at \$375,370.00. Its total assets and liabilities are set forth as follows:

ASSETS

Warehouse property and equipment (1).....	\$375,370.00
Cash.....	5,347.63
Accounts receivable.....	11,878.55
Materials and supplies.....	9,777.89
Total Assets.....	<u>\$402,374.07</u>

LIABILITIES

Capital stock.....	\$225,000.00
Notes payable.....	85,800.00
Accounts payable.....	13,527.28
Reserve for depreciation.....	66,665.48
Profit and loss.....	11,381.31
Total Liabilities.....	<u>\$402,374.07</u>

(1) Includes properties not used for warehouse purposes.

It is reported that on or about April 6, 1931, the corporation executed and delivered to the Bank of America National Trust and Savings Association its promissory note in the principal amount of \$35,000.00 in renewal of the then due and unpaid balance of a note to the same bank previously executed. This indebtedness, it appears, was originally incurred by the company in the construction and acquisition of the properties it now owns and operates. Since April 6, 1931, it has paid \$2,500.00 on the amount, leaving a balance now outstanding of \$32,500.00.

The issue of the note on April 6, 1931, was not authorized by the Commission. It clearly appears, however, that the company's failure to obtain the Commission's consent was through inadvertence and with no intention to evade the provisions of the Public Utilities Act. When the matter of the necessity of obtaining such consent was brought to the company's attention, it forthwith filed this petition and proposes, with the Commission's authority, to execute a new deed of trust and to issue a new note in lieu of those executed without the Commission's permission being granted. It has filed in this

proceeding a copy of the proposed deed of trust and a copy of the note. Both appear to us to be in satisfactory form and an order accordingly will be entered.

ORDER

Crystal Ice and Cold Storage Co. having applied to the Railroad Commission for an order authorizing the execution of a deed of trust and the issue of a note, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED, that Crystal Ice and Cold Storage Co. be, and it hereby is, authorized to execute a deed of trust substantially in the same form as that filed in this proceeding as Exhibit "C" and to issue a promissory note, to be secured by said deed of trust, in the principal amount of \$32,500.00, payable on or before April 6, 1934, with interest at not exceeding six percent per annum, for the purpose of renewing outstanding indebtedness of like amount.

The authority herein granted is subject to the following conditions:

1. Applicant shall within thirty days after the issue of the note herein authorized file with the Commission a copy of said note.
2. The authority herein granted to execute a deed of trust is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said deed of trust as to such other legal requirements to which it may be subject.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Thirty-three (\$33.00) Dollars.

DATED at San Francisco, California, this 16th day of April, 1932.

C. C. Seavey
Leon Williams
M. A. Cunn
M. B. Harris
James G. Stewart
Commissioners.

