

Decision No. 26201

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CRYSTAL ICE AND COLD STORAGE CO.,
a corporation, and AUGUST CARSTENSEN,
an individual, for an order author-
izing said corporation to lease to the
said individual all of its cold storage
business and that part of its plant,
equipment, tools, etc., incident there-
to, situate in Sacramento, California.

Application No. 19041

BY THE COMMISSION:

O P I N I O N

Crystal Ice and Cold Storage Co., a California corporation, asks permission to lease to August Carstensen its public utility properties and business pursuant to the terms and conditions of the lease filed in this proceeding as Exhibit "B".

Crystal Ice and Cold Storage Co. is engaged in the business of manufacturing and selling ice at retail to consumers residing in and near the City of Sacramento. Incidental to this business it has for several years past conducted a cold storage warehouse business under the jurisdiction of the Railroad Commission. Its petition shows that during the past five years its average annual income from all business was \$123,951.26. Its average annual income from its cold storage business during the same period was \$9,771.64, or 7.88 per cent. For the calendar year 1932, its total income was \$101,288.47 and its income from its cold storage business \$5,735.25, or 5.66 per cent.

As of December 31, 1932, applicant reports assets and liabilities as follows:

ASSETS

Warehouse property and equipment and ice manufacturing equipment.....	\$380,971.66
Cash.....	2,008.14
Accounts receivable.....	8,594.63
Materials and supplies.....	<u>16,798.07</u>

Total Assets.....\$408,372.50

LIABILITIES

Capital stock.....	\$225,000.00
Notes payable.....	84,097.70
Accounts payable.....	13,011.15
Reserve for accrued depreciation.....	72,864.52
Profit and loss balance.....	<u>13,399.13</u>

Total Liabilities....\$408,372.50

Crystal Ice and Cold Storage Co. proposes to lease to August Carstensen, its assistant manager and one of its stock holders, for a period of five years, all of its cold storage business and all of that part of its plant, equipment and other properties as is necessary or convenient to the proper conduct of said business, with the understanding and agreement that the service as heretofore, and as now being, conducted and rendered shall hereafter be maintained, and that the lessee shall continue to operate under the present rates until authority to change the same has been obtained from the Commission. Under the terms of the lease, the lessee agrees to pay as rent all of the net profits resulting from the conduct and operation of the business. In the event the business is conducted at a loss, such loss will be borne by the lessor. It is agreed between the parties that in determining the net profits from the conduct and operation of the business, there shall be included as deductible expenses thereof any and all disbursements and advances made during the term of the lease on account of labor, materials, supplies and financial or other service or assistance furnished or rendered to the lessee by the lessor. The lease further

provides that its term of five years may be shortened by either party upon giving written notice thereof to the other party, such notice to state the earlier termination date.

Inasmuch as the lessee assumes all the public utility obligations of the lessor, and will continue to operate the said cold storage properties and business, we are of the opinion the application should be granted.

ORDER

Crystal Ice and Cold Storage Co. having asked permission to execute a lease similar in form to that filed in this proceeding as Exhibit "B", the Commission having considered applicants' request and being of the opinion that this is not a matter in which a hearing is necessary and that this application should be granted, therefore,

IT IS HEREBY ORDERED that Crystal Ice and Cold Storage Co. and August Carstensen be, and they are hereby, authorized to execute, on or before October 31, 1933, a lease similar in form to that filed in this proceeding as Exhibit "B".

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of the said lease, August Carstensen shall file with the Commission a certified copy of the lease executed under the authority herein granted.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of the said lease, Crystal Ice and Cold Storage Co. and August Carstensen shall join in common supplement to the rates on file with the Railroad Commission in the name of Crystal Ice and Cold Storage Co., said Crystal Ice and Cold Storage Co. on the one hand withdrawing and said August Carstensen on the other hand adopting and establishing as his own said rates.

Dated at San Francisco, California, this 28th day of August, 1933.

C. S. Leary
Leon C. Leary
W. A. Leary
W. B. Leary