

Decision No. 38025

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

MODERN ICE & COLD STORAGE CO.

for Authority to Issue an Evidence
of Indebtedness and Encumber its
Public Utility Properties.Application
No. 26788

BY THE COMMISSION:

O P I N I O N**ORIGINAL**

Modern Ice & Cold Storage Co., a copartnership composed of William F. Giacomazzi, Elven Giacomazzi, James C. Wagner and C. C. Cottrell, hereinafter referred to as applicant, asks permission to issue notes in the principal sum of \$300,000 and execute a deed of trust and mortgages of chattels to secure the payment of said note.

Applicant as of December 31, 1944, reports assets and liabilities as follows:

ASSETS

Cold Storage Property & Equipment	\$378,589.44
Other Property and Equipment	10,499.55
Cash	36,712.69
Accounts Receivable	
A. Due on Storage Charges	36,705.59
B. Advances for Customers	11,857.54
C. Other Accounts Receivable	2,254.85
Materials and Supplies	771.59
Prepayments	3,516.01
Total Assets	\$480,907.26

LIABILITIES

Proprietors Account	\$ 70,000.00
Long-Term Debt	175,000.00
Notes Payable	25,000.00
Accounts Payable	7,046.24
Accrued Liabilities	4,315.26
Reserve for Accrued Depreciation	
A. Accrued Depreciation on Cold Storage Property & Equipment	35,970.03
B. Accrued Depreciation on Other Property & Equipment	1,879.03
Other Reserves	42.85
Earned Surplus	<u>161,653.85</u>
Total Liabilities	<u><u>\$480,907.26</u></u>

Applicant's petition shows that the War Food Administration in 1943 and 1944 urged applicant to enlarge its warehouse facilities. The War Production Board granted applicant the necessary priorities permitting it to construct two units, each providing additional cold storage space of 347,200 cubic feet. One unit was constructed in 1944, and the other unit is now under construction. The unit constructed in 1944 cost applicant \$206,546.70, segregated as follows:

Building	\$112,198.09
Engine Room Machinery & Equipment	83,750.09
Warehouse Machinery & Equipment	5,209.79
Handling Equipment	5,388.73

The cost of the unit now under construction is estimated at \$155,000, of which \$110,000 represents the cost of the building and \$45,000 the cost of the engine room and other equipment.

To pay in part for the new properties, applicant has made arrangements to borrow up to \$300,000 from the American Trust Company, San Jose Branch. The loan is to be represented by two notes, one for \$175,000 and the other for \$125,000. The \$175,000 note was issued in 1944 without Commission authorization.

To May 31, 1945, applicant borrowed \$30,000 on the second note. It will pay annually \$29,000 or more, on or before January 15, on the \$175,000 note, and \$21,000 or more, on or before January 15, on the \$125,000 note, or for whatever sum such note may be issued. The two notes bear interest at the rate of four per cent per annum. The payment of the notes will be secured by a deed of trust and by two mortgages of chattels. Copies of the notes, of the deed of trust and mortgages of chattels are on file in this application.

O R D E R

The Commission has considered applicant's request and is of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for by applicant through the issue of notes in the aggregate face amount of not exceeding \$300,000 is reasonably required by applicant for the purposes herein stated; that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED as follows:

1. Modern Ice & Cold Storage Co., a copartnership composed of William F. Giacomazzi, Elven Giacomazzi, James C. Wagner and C. C. Cottrell, may, after the effective date hereof and on or before September 30, 1945, issue to the American Trust Company, San Jose Branch, promissory notes in the aggregate sum

of not exceeding \$300,000, payable in annual amounts as indicated in the foregoing opinion, with interest at the rate of not exceeding four per cent per annum, and secure the payment of said notes by the execution of a deed of trust and mortgages of chattels, said notes, said deed of trust and mortgages of chattels to be in, or substantially in, the same form as the notes, deed of trust and mortgages of chattels on file in this application.

2. Modern Ice & Cold Storage Co., a copartnership composed of William F. Giacomazzi, Elven Giacomazzi, James C. Wagner and C. C. Cottrell, shall use the proceeds realized through the issue of said notes to pay, in part, the cost of the buildings and equipment to which reference is made in this application.

3. The authority herein granted will become effective when Modern Ice & Cold Storage Co., a copartnership composed of William F. Giacomazzi, Elven Giacomazzi, James C. Wagner and C. C. Cottrell, has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Three Hundred (\$300.00) Dollars.

4. On or before September 30, 1945, Modern Ice & Cold Storage Co., a copartnership composed of William F. Giacomazzi, Elven Giacomazzi, James C. Wagner and C. C. Cottrell, shall file with the Railroad Commission a statement showing the cost of each additional unit added to its cold storage warehouse facilities to which reference is made in this application, and the amount of money which it borrowed under the authority herein granted:

Dated at San Francisco, California, this 26th day of June, 1945.

Harold Anderson
Justus C. ...
Richard ...

Edward ...
Commissioners

