

Decision No. 39683

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of

NATIONAL ICE AND COLD STORAGE COMPANY
OF CALIFORNIA

and

CONSUMERS ICE AND COLD STORAGE COMPANY

for the following Orders:

1. For an Order authorizing and empowering the Consumers Ice and Cold Storage Company to discontinue its public utility business.

2. An Order authorizing and empowering the National Ice and Cold Storage Company of California to accept a transfer of all of the assets of Consumers Ice and Cold Storage Company and to continue the public utility business theretofore performed by Consumers Ice and Cold Storage Company.

ORIGINAL

Application
No. 28014

OPINION

In this application, National Ice and Cold Storage Company of California, hereafter referred to as National, and Consumers Ice and Cold Storage Company, hereafter referred to as Consumers, ask for an order of the Commission authorizing Consumers to discontinue its public utility business and transfer its properties to National.

Under the authority granted by Decision No. 30804, dated April 19, 1938, in Application No. 21874, National acquired all the outstanding stock of Consumers. The latter is engaged in operating a public utility cold storage business in Sacramento.

It also engages in ice manufacture and distribution, and other nonutility business. For the ten months ended October 31, 1946, Consumers reports operating revenues of \$812,280.67, segregated as follows:

Cold storage business	\$218,727.11
Ice business	496,027.06
Fuel oil business	57,643.28
Refrigerator business	39,883.22

Its surplus for the ten months ended October 31, 1946, before federal income tax, is reported at \$140,823.92. As of October 31, 1946, Consumers reports assets and liabilities as follows:

<u>Assets</u>		
Plant and property depreciated		\$585,895.59
Land	\$ 71,507.21	
Buildings	708,022.04	
Machinery and equipment	586,720.90	
Motor vehicles	64,646.96	
Office furniture and equipment	11,560.66	
Less Reserve for depreciation	<u>(856,562.18)</u>	
Construction in progress		53,693.09
Current assets		479,400.29
Cash on hand and in banks	217,825.79	
Investment in U. S. securities	155,000.00	
Notes and accounts receivable		
less reserve	82,317.10	
Inventories	<u>24,257.40</u>	
Deferred charges		<u>16,045.35</u>
Total Assets		<u>\$1,135,034.32</u>

Liabilities and Net Worth

Capital stock--common		\$ 177,154.00
Current liabilities		74,179.72
Accounts payable	\$ 40,746.51	
Federal, state and county taxes	8,472.03	
Federal income tax	13,489.40	
Payroll unpaid	8,529.43	
Accrued liabilities-miscellaneous	<u>2,942.35</u>	
Deferred credits		5,692.79
Surplus		878,007.81
Capital surplus	26,077.00	
Earned surplus	<u>851,930.81</u>	
Total Liabilities and Net Worth		<u>\$1,135,034.32</u>

Applicants' petition shows that the Board of Directors of Consumers has determined to wind up its affairs and dissolve the corporation, and that National, its sole shareholder, will consent to such action. Upon the dissolution of Consumers its properties will be transferred to National, who will continue the public utility business of Consumers and assume all of its liabilities. It is proposed to consummate the several transactions as of December 31, 1946.

The transfer of the properties of Consumers to National will result in a reduction of administrative and general office expenses in that Consumers will no longer be required to file separate reports and keep a complete set of books.

O R D E R

The Commission has considered applicants' requests and is of the opinion that this is not a matter on which a hearing is necessary, and that the application should be granted, therefore,

IT IS HEREBY ORDERED that Consumers Ice and Cold Storage Company may, after the effective date hereof and on or before January 31, 1947, convey, transfer and assign to National Ice and Cold Storage Company of California all of its assets of every kind, character and description, subject to the assumption by National Ice and Cold Storage Company of California of all outstanding liabilities of Consumers Ice and Cold Storage Company as of the date of such conveyance, transfer and assignment.

IT IS HEREBY FURTHER ORDERED that concurrently with the conveyance, transfer and assignment of said properties, Consumers Ice and Cold Storage Company may discontinue its public utility business.

IT IS HEREBY FURTHER ORDERED that prior to or concurrently with the commencement of warehouse operations in Sacramento by National Ice and Cold Storage Company of California, it shall file rates, rules and regulations identical with those maintained by Consumers Ice and Cold Storage Company, in conformity with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61 and on not less than one (1) day's notice to the Commission and to the public.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the transfer, conveyance and assignment of said properties, National Ice and Cold Storage Company of California shall file with the Commission a copy of the book entries by which it records the acquisition of the properties of Consumers Ice and Cold Storage Company, and a copy of the deed or other instrument of conveyance under which it holds title to the pro-

panies of Consumers Ice and Cold Storage Company.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective fifteen (15) days after the date hereof.

Dated at San Francisco, California, this 3rd day of December, 1946.

Harold A. Kule
Justin F. Quince
Frank W. Brown
Earl Powell
R. Z. [Signature]
Commissioners