

Decision No. 45440

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of
Eureka Ice and Cold Storage Co.,
a corporation, for an order
authorizing the issuance of a
promissory note and the execution
of a mortgage securing the same.

Application
No. 32127

O P I N I O N

This is an application for an order of the Commission authorizing Eureka Ice and Cold Storage Company to execute a deed of trust and to issue a note in the principal amount of \$75,000 for the purpose of paying indebtedness.

Applicant is a California corporation organized on March 26, 1923. It is engaged in operating an ice manufacturing and cold storage plant in Eureka, its activities including the furnishing of ice to fishing boats and to fish processing plants and the general public and freezing and storing whole and processed fish. Its financial statement for the year ended December 31, 1950, shows its revenues from its ice and locker business at \$76,596.09 and from its cold storage operations at \$58,789.85, a total of \$135,385.94, and its net income at \$28,121.81. A summary statement of its assets, liabilities and net worth as of December 31, 1950, is as follows:

<u>Assets</u>		
Fixed assets-		
Land, building, equipment	\$388,311.28	
Less- depreciation reserve	<u>199,363.52</u>	
Net fixed assets		\$188,947.76
Current assets and prepaid expenses		<u>15,586.50</u>
Total		<u>\$204,534.26</u>
<u>Liabilities and Net Worth</u>		
Mortgage payable		\$ 11,400.00
Contract payable		
Current liabilities-		
Due Douglas County Lumber Co.	\$ 30,726.13	
Other current liabilities	<u>10,525.50</u>	
Total current liabilities		41,251.63
Net worth-		
Capital stock	90,820.00	
Capital surplus	<u>28,721.75</u>	
Total contributed capital	119,541.75	
Surplus	<u>31,340.88</u>	
Total net worth		<u>150,882.63</u>
Total		<u>\$204,534.26</u>

The outstanding stock is owned by Douglas County Lumber Company except four shares which are owned by stockholders of that company. The indebtedness to the lumber company, according to the application, has been increased to \$58,217.36.

Applicant reports that its facilities have included an ice manufacturing plant of approximately 30 tons a day capacity with limited storage space; that such facilities have become inadequate making it necessary for it to purchase quantities of ice from other sources at substantial costs; and that accordingly it has undertaken the construction of a new plant, now nearly completed, at a cost in excess of \$125,000 which will have a

capacity of 50 tons a day with storage room of 1500 tons capacity.- It reports that the cost of construction has been provided, in part, by Douglas County Lumber Company.

It appears that applicant now proposes to borrow \$75,000 from Standard Insurance Company, of Portland, Oregon, for the purpose of paying the indebtedness due Douglas County Lumber Company, shown at \$58,217.36 in the application, of paying an outstanding note and mortgage in favor of Bank of America National Trust and Savings Association in the principal amount of \$11,400, and of meeting current expenses.

The sum to be thus borrowed will be represented by a note for \$75,000 payable in monthly installments of \$1,000 with interest at the rate of 5% per annum. The payment of the note will be secured by a deed of trust covering applicant's land, buildings, machinery and equipment.

A review of the application indicates that applicant's assets and earnings should be ample to support the proposed issue.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or

paid for through the issue of the note herein authorized is reasonably required for the purposes specified herein and that the expenditures for said purposes, other than the payment of current expenses, are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Eureka Ice and Cold Storage Company, after the effective date hereof and on or before July 31, 1951, may execute a deed of trust in substantially the same form as that filed in this proceeding and may issue a note in the principal amount of \$75,000, payable as indicated herein, for the purposes set forth in this application.

2. Eureka Ice and Cold Storage Company shall file with the Commission a copy of the note and a copy of the deed of trust as actually issued and executed under the authority herein granted, together with a statement showing the purposes for which it expended the proceeds received by it, such filing to be made within sixty days after the date of such deed of trust and note.

3. The authority herein granted will become effective when Eureka Ice and Cold Storage Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$75.00.

Dated at San Francisco, California, this 13th
day of March, 1951.

R. Z. [unclear]
James F. Cooney
Harold P. Hills
Samuel [unclear]
John L. Mitchell

Commissioners

