

ORIGINAL

Decision No. 48478

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
	:	
of)	
	:	
KERN ICE & COLD STORAGE COMPANY;)	Application
a corporation, for authority to	:	No. 34203
issue an evidence of indebtedness)	
and to encumber its public utility	:	
properties.)	
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O P I N I O N

In this application Kern Ice & Cold Storage Company seeks authorization to execute a deed of trust and a mortgage of chattels and to issue a note in the principal amount of \$115,000 for the purpose of refinancing outstanding indebtedness.

Applicant is engaged in the cold storage business in Bakersfield, Kern County. In its financial statement as of March 1, 1953, it reports that it has invested \$431,205.65 in its properties, after deducting its reserve for depreciation, and that it has financed its investment in part with equity capital and in part with borrowed moneys represented by three notes in the principal amount of \$115,000. The three items of indebtedness include an unpaid balance of \$30,000 of the note authorized by the Commission by Decision No. 47013, dated April 22, 1952, which balance is payable on or before May 8, 1957, with interest at the rate of 5% per annum, and two short-term notes in the aggregate amount of \$85,000 which are past due.

It appears that applicant now desires to fund the three items of indebtedness into one new note to be issued to Bank of America National Trust and Savings Association in the principal amount of \$115,000 and to be payable in annual installments over a period of five years, with interest at the rate of 5½% per annum, the payment of the note to be secured by a deed of trust on the lands and improvements and a mortgage of chattels on the equipment.

Applicant's financial reports on file with the Commission show its revenues for the fiscal year ended October 31, 1951, in the amount of \$164,863.95 and for the year ended October 31, 1952, at \$217,720.61, with net profit during the first of these periods of \$29,152.22 and during the second period in the amount of \$32,089.33. Its financial position as of March 1, 1953, is indicated in the following balance sheet:

<u>Assets</u>		
Current assets -		
Cash	\$ 9,534.16	
Accounts receivable	42,884.93	
Notes receivable	<u>29,500.00</u>	
Total current assets		\$ 81,919.09
Fixed assets-less depreciation reserve		431,205.65
Deferred charges		<u>29,987.75</u>
Total		<u>\$543,112.49</u>
<u>Liabilities and Capital</u>		
Current liabilities -		
Notes and mortgages	\$115,000.00	
Accounts payable	350.00	
Interest	2,322.92	
Taxes	32,571.68	
Insurance	<u>21,666.64</u>	
Total liabilities		\$171,911.24
Capital -		
Common stock	240,000.00	
Surplus	<u>131,201.25</u>	
Total capital		<u>371,201.25</u>
Total		<u>\$543,112.49</u>

From a review of this application and of the financial statements it appears that applicant will have need for the proposed issue to meet obligations now due and to improve its financial position. It is the opinion of the Commission that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

ORDER

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Kern Ice & Cold Storage Company, on and after the effective date hereof and on or before July 31, 1953, may issue its promissory note in the principal amount of \$115,000 for the purpose of refinancing outstanding indebtedness of like amount and may execute a deed of trust and a mortgage of chattels, which note, deed of trust and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding.

2. Applicant shall file with the Commission monthly reports as required by General Order No. 24-A, which order,

insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$85.00..

Dated at San Francisco, California, this 14th day of April, 1953.

Chas. J. ...
President

Justus F. ...
Harold ...

... Patten
... Mitchell
Commissioners

