

ORIGINAL

Decision No. 4S972

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
IMPERIAL ICE COMPANY, a corporation,)
for an order authorizing the)
issuance of a promissory note and)
the execution of a mortgage securing)
the same.)
-----)

Application
No. 34611

OPINION AND ORDER

In this proceeding Imperial Ice Company seeks authorization from the Commission to execute a mortgage and to issue a promissory note in the principal amount of \$80,000, payable over a period of 15 years with interest at the rate of 5% per annum, for the purpose of paying outstanding indebtedness.

Applicant is a California corporation organized in 1905. For many years it was engaged in the manufacturing and distributing of ice at retail and wholesale and in the public utility cold storage operation, the latter constituting the smaller part of its total business.^{1/} It now reports that the ice business, because of lack of demand, became unprofitable and that during the last year it changed its operations and entered into the egg candling and distributing business.

The change in the nature of applicant's nonutility business required the removal of its ice manufacturing equipment and the making of extensive repairs and improvements in the building area formerly housing the ice operations, all of which work was performed at a cost of \$96,711.41. It is reported that the new construction in no way affected the operation of the cold storage plant.

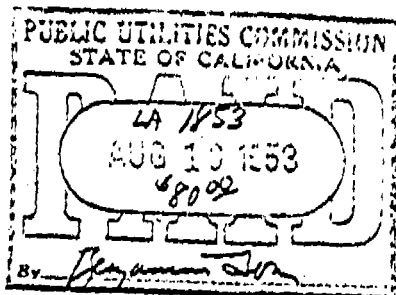
^{1/} For the year 1952 applicant reports warehouse operating revenues of \$9,027.69 and nonutility revenues of \$53,309.86.

It appears that applicant was required to borrow funds from Union Bank and Trust Company and Security First National Bank for the purposes indicated, and that now it has arranged a loan from Massachusetts Mutual Life Insurance Company in the sum of \$80,000 for the purpose of repaying its existing bank indebtedness. The Commission has considered this application and is 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 by the issue of the note herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Imperial Ice Company is authorized to execute a chattel mortgage and issue a note to Massachusetts Mutual Life Insurance Company in the principal amount of \$80,000 for the purposes indicated herein.
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 \$80.00.

Dated at San Francisco, California, this 18th day of August, 1953.



 President
Justus J. Cravner

Harold Hills

John L. Mitchell

 Commissioners