

ORIGINAL

Decision No. 53769

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA ICE AND COLD STORAGE COMPANY, a California corporation and CALIFORNIA COLD STORAGE & DISTRIBUTING CO., a California corporation, for an order authorizing the transfer of certain physical assets now owned by CALIFORNIA COLD STORAGE & DISTRIBUTING CO. to CALIFORNIA ICE AND COLD STORAGE COMPANY, which physical assets are now being used by CALIFORNIA ICE AND COLD STORAGE COMPANY in the conduct of its business and authorizing the CALIFORNIA ICE AND COLD STORAGE COMPANY to assume and agree to pay the mortgage indebtedness now existing against such assets.

Application
No. 38347

O P I N I O N

This is an application for an order of the Commission authorizing the transfer of certain cold storage warehouse properties to California Ice and Cold Storage Company and the assumption by that company of outstanding indebtedness in the principal amount of \$733,300.

California Ice and Cold Storage Company is a California corporation which was organized on July 30, 1947. Since June 30, 1955, it has been engaged in the public utility cold storage business in San Diego, Long Beach and Bakersfield and in the ice business in Bakersfield. All its outstanding stock is held by California Cold Storage & Distributing Co., and the properties it operates are owned by that company, but are occupied under a lease arrangement providing for the payment to California Cold Storage & Distributing Co., of the entire net income derived from the business conducted in the leased premises. For the six months ended June 30, 1956, such net income was reported at \$19,591.38.

It appears that those in control of the two corporations are of the opinion it is for the best interests of both for California Ice and Cold Storage Company to own the physical assets it operates. They have made arrangements for the transfer of such assets to the operating company at their book values, subject to outstanding mortgage indebtedness of \$733,300 which is payable in installments up to 1967 with interest at the rate of 4-3/4% per annum. The net book values of the assets thus to be transferred are reported at \$1,118,906.75. In accounting for the transaction California Ice and Cold Storage Company will credit the excess of such book values over the liabilities to be assumed to its paid-in surplus account.

It is asserted that the operations of California Ice and Cold Storage Company are ample to enable it to service the indebtedness to be assumed by it. From a review of the application, it appears that there will be no change in the rates or service to the public and we are of the opinion, therefore, and we so find, that the transfer will not be adverse to the public interest and should be approved.

The action taken herein shall not be construed to be a finding of the value of the properties authorized to be transferred.

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:


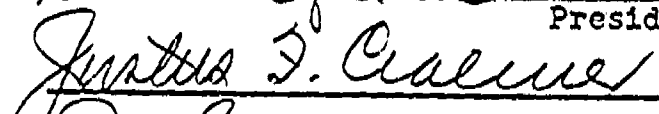
1. California Cold Storage & Distributing Co., may transfer to California Ice and Cold Storage Company the properties referred to in this proceeding under the terms and conditions set forth therein.

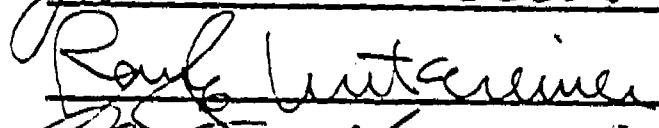
2. California Ice and Cold Storage Company, in acquiring the properties under the authorization herein granted, may assume the payment of outstanding indebtedness in the principal amount not to exceed \$733,300.

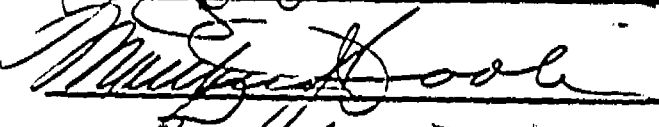
3. Within 30 days after the consummation of the transfer herein authorized, California Ice and Cold Storage Company shall file with the Commission a copy of the deed or deeds of conveyance by which it acquired title to such properties.

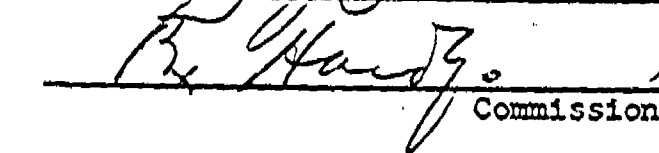
4. The authorization herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 18th day of September, 1956.


 _____ President







 _____ Commissioners