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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
NATIONAL ICE AND COLD STORAGE COMPANY
OF CALIFORNIA

for an order authorizing the applicant to execute and deliver miscellaneous promissory notes to be made payable to the order of the Crocker-Anglo National Bank, in the aggregate face amount of two hundred twenty-five thousand (225,000) dollars, together with interest payable at the rate of five and one-quarter per cent (5-1/4%) per annum, said notes to mature in varying amounts but not later than December 15, 1963.

Application No. 41236

O P I N I O N

National Ice and Cold Storage Company of California has filed this application for authorization to issue, execute and deliver promissory notes in the aggregate face amount of \$225,000 and to secure the payment of said notes with a pledge of certain personal property.

Applicant is engaged in the operation of cold storage warehouses and ice plants in Riverside, San Francisco, Stockton, Santa Rosa, Marysville, Petaluma, Watsonville, Oakland and Sacramento. It reports that it proposes to expend approximately \$350,000 to construct a two-story cold storage building, equipped with refrigeration and other facilities, on premises it owns in the block bounded by Rhode Island, Alameda, Kansas and Division Streets, in the City and County of San Francisco, and that it intends to borrow \$225,000 from Crocker-Anglo National Bank to meet, in part, its construction costs.

Under the terms of the agreement with Crocker-Anglo National Bank, the \$225,000 will be advanced to applicant, in whole or in part, upon demand at any time prior to December 1, 1959, each advance to be evidenced by a promissory note, called an Interim Note, bearing interest at the rate of 5-1/4% per annum and maturing on December 1, 1959. On that date, applicant will execute and deliver a promissory note, called Term Note, which will be payable in the amount then unpaid on all the Interim Notes, will bear interest at the rate of 5-1/4% per annum and will be payable as to principal in successive annual installments of \$25,000 on December 15 of each of the years 1959 to 1962, inclusive, and in the amount of \$125,000 on December 15, 1963. The payment of the borrowings will be secured by an assignment and pledge of 1,575 shares of the capital stock of Fresno Consumers Ice Company and 3,034 shares of the capital stock of Valley Ice Company pursuant to the terms of a General Pledge Agreement, a copy of which is attached to the application.

Applicant's latest annual report filed with the Commission shows that during 1958, its operating revenues aggregated \$2,047,351 and its nonutility and other revenues aggregated \$943,126 with gross income from all sources, before payment of interest, of \$223,142. A financial statement attached to the application shows the company's financial position as of April 30, 1959, a summary of the same being as follows:

Assets

Plant, less depreciation reserve		\$3,838,088
Other investments		334,258
Current and prepaid accounts -		
Cash	\$ 172,771	
U. S. Govt. securities	179,090	
Notes and accounts receivable	478,308	
Inventories	80,875	
Prepayments	94,445	
	<u>1,005,489</u>	
Less - current liabilities	286,851	
Net current and prepaid accounts		<u>718,638</u>
Total		<u>\$4,890,984</u>

Liabilities and Capital

Long-term debt	\$2,143,166
Preferred stock	48,100
Common stock and surplus	<u>2,699,718</u>
Total	<u>\$4,890,984</u>

We have considered this application and are of the opinion that applicant will have need for additional funds if it is to proceed with its construction program; that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purpose indicated, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. An order will be entered granting the application.

ORDER

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary, therefore,

IT IS HEREBY ORDERED as follows:

1. National Ice and Cold Storage Company of California may issue, execute and deliver the documents and promissory notes in the aggregate face amount of \$225,000, under and pursuant to the terms and conditions set forth in the exhibits attached to the application, for the purpose of financing, in part, the construction costs referred to in this proceeding.

2. National Ice and Cold Storage Company of California shall file with the Commission a report, or 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 \$225.

Dated at San Francisco, California, this 29th day of June, 1959.

[Signature] President
[Signature]
[Signature]
Theodore Deussen
[Signature] Commissioners

