

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

TRACY ICE & DEVELOPMENT CO.,

a corporation, for an order authorizing it to issue its promissory note maturing more than 12 months from the date thereof to Bank of America National Trust and Savings Association and to encumber its property to secure said promissory note.

Application No. 43549

O P I N I O N

This application was filed on June 28, 1961, by Tracy Ice & Development Co. for authorization to execute a deed of trust and mortgage of chattels and to issue a note in the face amount of \$100,000.

Applicant is a California corporation which is engaged in the public utility cold storage business near Tracy. It reports that it has invested \$604,302 in its properties; that it has financed itself, in part, through the issue to American Trust Company of a note for \$145,000, on which \$95,000 remains unpaid; and that it now desires to refinance the indebtedness, including the accrued interest thereon, through the issue of a new note to Bank of America National Trust and Savings Association in the face amount of \$100,000.

The presently outstanding note is payable in annual installments of \$25,000, with interest at the rate of 5-1/2% per annum, with final payment due on January 15, 1962. The proposed note will be payable in monthly installments of \$1,097.70, with interest at the rate of 5-3/4% per annum.

A condensed balance sheet prepared from Exhibit E shows applicant's assets, liabilities and capital, as of May 31, 1961, as follows:

<u>Assets</u>		
Fixed capital	\$604,302	
Less: Depreciation reserve	<u>296,785</u>	
Net fixed capital		\$307,517
Current assets -		
Cash	49,990	
Accounts receivable	16,690	
Prepaid expenses	<u>5,694</u>	
Total current assets		<u>72,374</u>
Total		<u>\$379,891</u>
<u>Liabilities and Capital</u>		
Current liabilities		\$ 14,432
Note payable		95,000
Reserve for deferred taxes		19,324
Common stock and surplus		<u>251,135</u>
Total		<u>\$379,891</u>

Applicant's report of its results of operations shows that for the 12 months ended January 31, 1961, its utility revenues amounted to \$98,567 and its nonutility revenues amounted to \$178,899, with net profits, after all charges, of \$23,966.

Upon considering this matter, we find and conclude that applicant's financial condition, as indicated by its filed reports, is sufficient to warrant an order granting the application; that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and that such purpose, except for the payment of accrued interest, is not, in whole or in part, reasonably chargeable to operating expenses or to income.

Upon the basis of these findings, we will enter an order granting the company's requests.

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 and that the application should be granted,

IT IS ORDERED that -

1. Tracy Ice & Development Co., a corporation, on or after the effective date hereof and on or before December 31, 1961, may execute a deed of trust and a mortgage of chattels in, or substantially in, the same form as those filed in this proceeding as Exhibits B and C, respectively, and may issue its note in the face amount of not to exceed \$100,000 for the purpose of refinancing outstanding indebtedness.

2. Tracy Ice & Development Co., a corporation, 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 shall become effective when Tracy Ice & Development Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$100.

Dated at San Francisco, California, this 25th day of July, 1961.

[Signature] President
[Signature]
[Signature]
[Signature]
[Signature] Commissioners

