

**ORIGINAL**

Decision No. 64126

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of FEDERAL ICE & COLD STORAGE COMPANY, A California corporation, for authority to execute an unsecured note with a due date more than twelve months from the date of issue

Application No. 44646  
Filed July 18, 1962

O P I N I O N

Federal Ice & Cold Storage Company, a corporation, applicant herein, has filed this application for authorization to issue an unsecured note in favor of Security First National Bank in the principal amount of \$436,000 payable in monthly installments of \$3,500 or more with interest on declining balances at the rate of 5-1/2 percent per annum. The proceeds to be received from the issue of the note will be used by applicant to finance the costs of constructing two buildings on its real property located at 4224 District Boulevard, in the City of Vernon, which costs were provided, temporarily, with a combination of applicant's own money and money borrowed from Security First National Bank on short-term notes. Applicant asserts that such buildings were constructed for rental to tenants whose businesses would tend to increase applicant's warehouse storage business.

Applicant is a California corporation organized in 1923 and has been, and now is, engaged in business as a public utility cold storage warehouseman and in related activities in the City of Vernon. For the fiscal year ended March 31, 1962, it reports total revenues of \$839,408 and net income of \$74,504 after depreciation charges of \$74,461. The company's financial position at March 31, 1962, as indicated by its balance sheet, was as follows:

Assets

Current assets -		
Cash	\$ 59,872	
Receivables	1,363,850	
Prepaid expenses	22,378	
Total current assets	<u>1,446,100</u>	\$1,446,100
Plant and equipment, less accumulated depreciation		858,135
Deferred debits		<u>44,446</u>
Total		<u>\$2,348,681</u>

Liabilities

Current liabilities -		
Notes payable	\$1,250,000	
Accounts payable and accrued liabilities	73,398	
Federal income taxes, estimated	<u>70,000</u>	
Total current liabilities		\$1,393,398
Security deposits		17,822
Common stock and surplus		<u>937,461</u>
Total		<u>\$2,348,681</u>

Analysis of applicant's recorded results of operations shows that in the 1962 fiscal year the nonutility revenues amounted to about 16 percent of the total revenues and that such operations produced net operating income of \$46,249, before income taxes.

From a review of the application and the financial statements, we find and conclude that the issue of the proposed note for the purpose indicated will not create such a financial burden on applicant as to impair its ability to meet its public service obligations and that applicant has need for the borrowed funds to meet its current obligations and improve its cash position.

We will enter an order granting the application.

O R D E R

The Commission has considered the above-entitled matter, has determined that a public hearing is not necessary and that the application should be granted, and is of the opinion 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 is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS ORDERED that -

1. Federal Ice & Cold Storage Company, a corporation, on or after the effective date hereof and on or before December 31, 1962, may issue a note in the principal amount of not to exceed \$436,000 in the same form, or substantially in the same form, as that attached to the application as Exhibit A, and shall expend the proceeds for the purpose set forth in this application.

2. Federal Ice & Cold Storage Company, 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. This order shall become effective when Federal Ice & Cold Storage Company, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$436.

Dated at San Francisco, California, this 7<sup>th</sup> day of AUGUST, 1962.

George L. Hoover  
President

[Signature]

[Signature]

[Signature]

Fredrick B. Holbeck  
Commissioner's

