

ORIGINAL

Decision No. 68827

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California Ice)
and Cold Storage Company for)
authority to issue a)
promissory note.)
_____)

Application No. 47397
Filed March 10, 1965

O P I N I O N

California Ice and Cold Storage Company requests authorization from the Commission to issue a subordinated promissory note in the principal amount of not to exceed \$230,000.

Applicant is a California corporation engaged in the public utility cold storage warehouse business in Long Beach and San Diego. The balance sheet, attached to the application as Exhibit B, indicates as of December 31, 1964, that the corporation's assets totaled \$1,508,365, that net current assets were \$533,326 and that long-term debt and common stock equity amounted to \$249,040 and \$1,070,130, respectively. For the year ended December 31, 1964, applicant reports \$720,462 gross revenues and net income of \$83,787.

The company has arranged to purchase as an investment 232,306 shares, or approximately 60%, of the outstanding common capital stock of Hayward Marum Knitting Mills, Inc. at their approximate book value of \$1 per share. As part payment of the

purchase price, applicant requests authority to issue a \$230,000 subordinated promissory note maturing on or before September 1, 1980 and bearing interest on the unpaid principal at the rate of 6% per annum payable semi-annually.

The application shows that the business headquarters of Hayward Marum Knitting Mills, Inc. is located at Ipswich, Massachusetts, that it is engaged in manufacturing and marketing women's stockings and men's hosiery of various kinds, and that within the next four years its estimated earnings will exceed \$100,000 per year after taxes.

The Commission has considered this matter and finds that: (1) the proposed note issue is for a proper purpose; (2) the proposed indebtedness will not impair applicant's ability to fulfill its public utility obligations; (3) 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 (4) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The authorization herein given is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. California Ice and Cold Storage Company, on or after the effective date hereof and on or before July 31, 1965, may issue a subordinated promissory note in the principal amount of not to exceed \$230,000 for the purpose specified in this proceeding, which document shall be in the same form, or in substantially the same form, as that attached to the application.

2. California Ice and Cold Storage Company shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when California Ice and Cold Storage Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$230.

Dated at San Francisco, California, this 6th day of April, 1965.

Frederic B. Hallock
President
George L. Weaver
Commissioner
William L. Belmont
Commissioner

