

Decision No. 2882A

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CRYSTAL ICE AND COLD STORAGE CO.,
a corporation, and AUGUST CARSTENSEN,
an individual operating a cold storage
business in the City of Sacramento
under the name and style CRYSTAL ICE
AND COLD STORAGE WAREHOUSE, for an
order authorizing applicant CRYSTAL
ICE AND COLD STORAGE CO. to increase
its present Chattel Mortgage and Deed
of Trust incumbrances and to issue
and deliver to BANK OF AMERICA NATIONAL
TRUST AND SAVINGS ASSOCIATION new
Chattel Mortgage and Deed of Trust in
evidence of such incumbrance as so in-
creased.

ORIGINAL

Application No. 20533

R. E. Brotherton, for applicants.

BY THE COMMISSION:

O P I N I O N

Crystal Ice and Cold Storage Co., a corporation, has applied to the Railroad Commission for permission to execute a deed of trust covering all its real property and a chattel mortgage covering all its personal property to secure the payment of ^a six percent five year installment note in the principal amount of \$50,000.

It appears that Crystal Ice and Cold Storage Co. is the owner of an ice-making and refrigerating plant situate in the City of Sacramento, including certain facilities used for public utility cold storage purposes. Pursuant to authority granted by Decision No. 26301, dated August 28, 1933, the corporation separated its utility business from its non-utility business by leasing the properties and facilities used in the cold storage operations to August Carstensen, who, ever since has carried on the public utility

service, applicant thus withdrawing from business as a public utility, although continuing to own the physical properties.

Prior to the time the corporation divested itself of its public utility business, it executed a deed of trust and issued a six percent promissory note in the principal amount of \$32,000., due April 6, 1934, which since has been reduced to \$30,000., to refund indebtedness incurred in the construction of its plant and property. (Decision No. 24699, dated April 18, 1932.) Thereafter under authority granted by Decision No. 26774, dated February 5, 1934, it executed a chattel mortgage upon its equipment, including that leased to and used by August Carstensen in his public utility business, to secure the further sum of \$12,000. payable on demand, with interest at the rate of six percent per annum, making a total indebtedness now outstanding under the deed of trust and chattel mortgage of \$42,000.

The corporation now reports the necessity of borrowing an additional \$8,000. in order to make alterations, improvements and enlargements to its non-utility plant and facilities. It proposes to borrow \$50,000. to obtain the necessary funds and to refund the existing obligation of \$42,000., said \$50,000. to be payable in the amount of \$5,000. on the first day of October of each year with the unpaid balance to be due and payable five years from the date thereof, and with interest on the deferred payments payable on the first day of each month at the rate of six percent per annum.

The payment of the proposed note will be secured by a deed of trust and a chattel mortgage, copies of which are on file in this proceeding. Although the corporation itself is not engaged in business as a public utility it appears that some of the properties to be subjected to the lien of the two instruments are used in the public utility business and accordingly this application has been filed with this Commission for an order authorizing the execution

of the two indentures. August Carstensen, who as lessee, has an interest in such properties and who is now operating as a public warehouseman, joins in the application.

ORDER

The Commission has considered applicant's request and is of the opinion that this is not a matter on which a hearing is necessary and that this application should be granted as provided herein, therefore,

IT IS HEREBY ORDERED that Crystal Ice and Cold Storage Co., a corporation, be, and it hereby is, authorized to execute a deed of trust and a chattel mortgage substantially in the same form as those filed in this proceeding on May 8, 1936, provided that the authority herein granted is for the purpose of this proceeding only, and is granted only insofar as this Commission may have jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of the deed of trust and chattel mortgage as to such other legal requirements to which they may be subject.

IT IS HEREBY FURTHER ORDERED that within thirty(30) days after the execution of said deed of trust and said chattel mortgage, Crystal Ice and Cold Storage Co. shall file with the Commission a true and complete copy of the deed of trust and a true and complete copy of the chattel mortgage executed under the authority herein granted.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 18th day of May, 1936.

W.B. Lewis
Dean Whalley
W. H. Lewis
W. H. Lewis
W. H. Lewis
Commissioners.