

ORIGINAL

Decision No. 42835

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)

CRYSTAL ICE AND COLD STORAGE CO.,)
a corporation,)

For an order authorizing it to)
borrow money and execute its prom-)
issory note to THE ANGLO CALIFORNIA)
NATIONAL BANK OF SAN FRANCISCO, a)
National Banking Association, and)
to secure the same by Deed of Trust)
and Chattel Mortgage upon property)
leased in part for utility pur-)
poses; and)

Application
No. 31011

of)
CRYSTAL ICE AND COLD STORAGE)
WAREHOUSE, a corporation, for an)
order authorizing it to execute)
an agreement subordinating its)
leasehold interest upon utility)
property to such Deed of Trust and)
Chattel Mortgage.)
-----)

O P I N I O N

This is an application for an order of the Public Utilities Commission authorizing Crystal Ice and Cold Storage Co., a corporation, hereinafter sometimes referred to as Ice Company, to issue a promissory note in the principal amount of \$208,500 and to execute a deed of trust and a mortgage of chattels covering real property and equipment, and authorizing Crystal Ice and Cold Storage Warehouse, a corporation, to execute an agreement subordinating its leasehold interest in certain properties owned by the Ice Company to said deed of trust and mortgage of chattels.

The application shows that the Ice Company is the owner of an icemaking and refrigerating plant and warehouse properties located at 16th and R Streets in Sacramento, together with personal property and equipment used in and about said premises. Pursuant to Decision No. 43522, dated November 15, 1949, in Application No. 30744, the Ice Company leased to Crystal Ice and Cold Storage Warehouse so much of its plant, tools, apparatus and equipment as is necessary for the conduct of a cold storage warehouse business. Crystal Ice and Cold Storage Warehouse has been conducting a public utility warehouse business in said premises since January 1, 1950. For a number of years prior thereto the warehouse business was conducted by August Carstensen, president of Ice Company.

The Ice Company proposes to enlarge its plant by the addition to the present cold storage warehouse of one additional story, and to make certain improvements to one of its present buildings. The additional story and improvements are necessary to meet the demand for cold storage space.

Pursuant to the authority granted by Decision No. 42568, dated March 1, 1949, the Ice Company issued to The Capital National Bank of Sacramento its promissory note for \$115,000. Subsequently, The Anglo California National Bank of San Francisco acquired the assets of The Capital National Bank of Sacramento. There remains unpaid on said note \$103,500. For the purpose of financing the improvements to its properties, the Ice Company proposes to borrow from The Anglo California National Bank of San Francisco \$105,000. It asks permission to issue to The Anglo California National Bank of San Francisco its note for \$208,500 for the purpose of refunding the balance due on the note issued under the authority granted by

Decision No. 42568 and paying the cost of the proposed additions and improvements to its properties. The note will bear interest at the rate of 4-1/2% per annum, payable monthly. The principal of the note is payable in equal consecutive annual installments of \$20,850, the first payment being due December 1, 1950. To secure the payment of the note, the Ice Company asks permission to execute a deed of trust and a mortgage of chattels. A copy of the proposed note, deed of trust and mortgage of chattels are on file in this application as Exhibit A, Exhibit B and Exhibit C, respectively.

The Crystal Ice and Cold Storage Warehouse asks permission to subordinate its leasehold interest in the properties of Ice Company to the proposed deed of trust and mortgage of chattels. A copy of the subordination agreement is on file in this application as Exhibit D. It reads in part as follows:

"NOW, THEREFORE, in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration, receipt whereof is hereby acknowledged, the undersigned, CRYSTAL ICE AND COLD STORAGE WAREHOUSE, Lessee, agrees that its lien, right and interest in the real and personal properties covered by said lease and above described and referred to are and will be junior, subordinate and secondary to said deed of trust and chattel mortgage to the extent and insofar as said deed of trust and chattel mortgage will cover and affect the real and personal properties described in and covered by said lease."

The Ice Company does not have rates on file with the Commission as a public utility, and in making this application it reports that it does not consider itself to be a public utility. However, a part of its property is leased to and is operated by Crystal Ice and Cold Storage Warehouse. It does have warehouse rates on file with the Commission, and is engaged in the public utility warehouse business. This application is made by the Ice Company, it is stated, to comply with the requirement of the title insurer to whom application has been made for title insurance.

O R D E R

Crystal Ice and Cold Storage Co. and Crystal Ice and Cold Storage Warehouse having applied to the Public Utilities Commission for an order authorizing the issue of a note for \$208,500 and the execution of a deed of trust and mortgage of chattels and a subordination agreement, and the Commission having considered the matter and being of the opinion that a public hearing thereon is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of said note is reasonably required for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Crystal Ice and Cold Storage Co. may issue, after the effective date hereof and on or before April 30, 1950, its promissory note in the principal amount of \$208,500 and, to secure the payment of said note, may execute a deed of trust and mortgage of chattels, said note, said deed of trust and said mortgage of chattels to be in, or substantially in, the same form as the note, deed of trust and mortgage of chattels filed in this application as Exhibit A, Exhibit B and Exhibit C, respectively.

2. Crystal Ice and Cold Storage Warehouse may execute, after the effective date hereof and on or before April 30, 1950, a subordination agreement in, or substantially in, the same form as the subordination agreement filed in this application as Exhibit D.

3. Crystal Ice and Cold Storage Co. shall use the proceeds of said note issue to pay or refund the outstanding note for \$103,500, and to pay the cost of enlarging and improving its properties referred to in this application.

4. Within thirty (30) days after the issue of said note, Crystal Ice and Cold Storage Co. shall file with the Commission a copy of the note, a copy of the deed of trust, a copy of the mortgage of chattels and a copy of the subordination agreement executed under the authority herein granted.

5. The authority herein granted will become effective when Crystal Ice and Cold Storage Co. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is one hundred five (\$105.00) dollars.

Dated at San Francisco, California, this 20th day of February, 1950.

P. J. [Signature]
Justus J. [Signature]
[Signature]
[Signature]
[Signature]
Commissioners

