

Decision No. 45755

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
NATIONAL ICE AND COLD STORAGE COMPANY)
OF CALIFORNIA,)
for an order authorizing applicant to)
execute and deliver five year bank notes)
to be made payable to the order of The)
Anglo California National Bank of San)
Francisco in the face amount of One)
Million Five Hundred Forty Seven Thousand)
One Hundred Dollars (\$1,547,100.00),)
together with interest payable quarterly)
at the rate of three and three-quarter)
(3-3/4) per cent per annum, said notes)
to mature five years after date.)
-----)

Application
No. 32401

O P I N I O N

In this application, National Ice and Cold Storage Company of California asks the Commission to enter an order authorizing it to execute and deliver forthwith to The Anglo California National Bank of San Francisco a promissory note, or notes, in the aggregate face amount of \$1,297,100 for the purpose of paying outstanding indebtedness, to execute and deliver an additional note, or notes, in the aggregate face amount of not to exceed \$250,000 on or before June 1, 1952, for the purpose of financing the cost of additions to its properties, and to execute and deliver a pledge agreement.

Applicant operates freezing and cold storage facilities and ice plants in twelve cities in the state. In Exhibit C it reports its assets and liabilities, as of March 31, 1951, as follows:

Assets

Plant property -		
Original cost	\$7,813,620.57	
Less-Reserve for depreciation	<u>4,057,855.32</u>	
Net plant property		\$3,755,765.24
Other investments		622,201.54
Current assets		1,014,397.65
Deferred charges		<u>136,600.21</u>
Total		<u>\$5,528,964.64</u>

Liabilities

Notes payable	\$1,297,100.00
Current liabilities	250,867.70
Storage and rent billed in advance	4,783.92
Miscellaneous	<u>4,546.20</u>
Total liabilities	1,557,297.82
Capital stock	1,058,601.00
Surplus	<u>2,913,065.82</u>
Total	<u>\$5,528,964.64</u>

The outstanding note, or notes, of \$1,297,100 were issued under authority granted by the Commission by Decision No. 38712, dated February 26, 1946, for the purpose of refunding first mortgage bonds formerly outstanding. The notes are payable to The Anglo California National Bank of San Francisco on or before May 31, 1951, and bear interest at the rate of 3½% per annum.

Applicant now reports that it has negotiated a loan with The Anglo California National Bank of San Francisco in the amount of \$1,547,100, and that it proposes to draw down forthwith \$1,297,100 of this amount to meet the maturity of the presently outstanding indebtedness, and to borrow the remaining \$250,000 on or before June 1, 1952, for the purpose of enlarging its existing facilities and of constructing additional ones. It reports that it intends to undertake, at a cost of \$185,000, to add two rooms to its plant located in Sacramento, each to contain a refrigerated area of 6,500 square feet. It anticipates that the balance of the funds to be made available will be used to acquire certain land adjacent to its

Los Angeles cold storage warehouse and to erect thereon cold storage facilities. It appears that the cost and extent of the Los Angeles plans cannot be accurately determined at this time since the land under consideration for purchase presently is owned by the United States and negotiations have not been completed for its acquisition. Applicant estimates, however, that the cost of the land which it desires to acquire will be approximately \$20,000 and the cost of the structures approximately \$225,000.

The sums to be borrowed under the arrangements made with the bank will be represented by applicant's promissory notes bearing interest at the rate of 3-3/4% per annum, payable quarterly. The note, or notes, for \$1,297,100 will be payable in semi-annual installments of \$50,000 commencing on December 1, 1951, and continuing to June 1, 1956, at which time the entire amount of the principal then unpaid shall become due and payable. The additional note, or notes, for \$250,000 will be repaid on or before June 1, 1956. The payment of the notes will be secured by a general pledge agreement covering applicant's personal property.

A review of the application clearly indicates that applicant will have need for the funds to be obtained through the issue of the proposed notes to meet its indebtedness and to provide the cost of facilities.

O R D E R

The Commission having considered the above entitled 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 the notes herein authorized is reasonably required by

applicant 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:

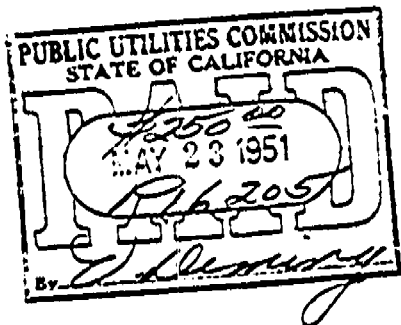
1. National Ice and Cold Storage Company of California, after the effective date hereof and on or before September 30, 1951, may execute a loan agreement and a general pledge agreement, in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B, respectively, and may execute and deliver its promissory note, or notes, in the aggregate face amount of \$1,297,100 for the purpose of paying presently outstanding indebtedness.

2. National Ice and Cold Storage Company of California, after the effective date hereof and on or before June 1, 1952, may execute and deliver its promissory note, or notes, in the aggregate face amount of not to exceed \$250,000, in accordance with the terms of said loan agreement, for the purpose of financing the cost of additions to its properties.

3. National Ice and Cold Storage Company of California shall file with the Commission a copy of each note executed under the authority herein granted, together with a statement showing the purposes for which it expended the money obtained through the issue of said note, each of such filings to be made within thirty (30) days after date of the note.

4. The authority herein granted will become effective when National Ice and Cold Storage Company of California has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is two hundred fifty (\$250.00) dollars.

Dated at San Francisco, California, this 23rd day of
May, 1951.



A. Z. [Signature]
Justus F. Cravens
Harold P. Hale

Commissioners