

ORIGINAL

Decision No. 49273

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
)
 MERCHANTS REFRIGERATING COMPANY)
 OF CALIFORNIA, a corporation)
)
 for an order authorizing (1) the)
 dissolution of Modesto Refrigerating)
 Co., a California public utility,)
 and the distribution to Merchants)
 Refrigerating Company of California)
 of the refrigerated warehouse business)
 and properties now owned and operated)
 by said Modesto Refrigerating Co.,)
 and (2) the assumption by Merchants)
 Refrigerating Company of California)
 of the indebtedness of said Modesto)
 Refrigerating Co.)
 -----)

Application
No. 34744
(First Supplemental)

FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 49134, dated September 29, 1953, the Commission authorized Merchants Refrigerating Company of California, pursuant to its application, to acquire all the outstanding shares of stock of Modesto Refrigerating Co. The application then before the Commission indicated that at a later date Modesto Refrigerating Co. would seek authorization to distribute its properties to Merchants Refrigerating Company of California and the Commission in its decision stated that upon the filing of a supplemental application for such authorization it would enter a further order permitting the distribution and the assumption of indebtedness to complete the transaction.

On October 27, 1953, Merchants Refrigerating Company of California and Modesto Refrigerating Co. filed, in the above entitled proceeding, a supplemental application in which authorization

is sought for the transfer of the properties of Modesto Refrigerating Co. and the refunding of certain outstanding liabilities. It appears that Modesto Refrigerating Co. is indebted to Santa Fe Land Improvement Company in the amount of \$747,146.64, represented by three promissory notes issued during 1946, 1950 and 1951, under authorization granted by the Commission, and that it is the intention of both companies for Modesto Refrigerating Co. to refinance the indebtedness, prior to the transfer of the properties, through the issue of one new note consolidating the present several notes, said new note to be payable in monthly installments of \$4,166.67, or more, with interest at the rate of $4\frac{1}{2}\%$ per annum. The application shows that following this refinancing Modesto Refrigerating Co. will be dissolved and its assets distributed to Merchants Refrigerating Company of California, subject to the outstanding liabilities.

The Commission has given consideration to this supplemental application and is of the opinion that it should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by Modesto Refrigerating Co. 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 HEREBY ORDERED as follows:

1. Modesto Refrigerating Co., on or before December 31, 1953, may issue its promissory note in the principal amount of not exceeding \$747,146.64, for the purpose of refunding outstanding indebtedness, and may execute its third supplemental deed of trust, which note and supplemental deed of trust shall be in, or substantially in, the same form as the document filed in this proceeding as Exhibit A.

2. Modesto Refrigerating Co., on or before December 31, 1953, in winding up and dissolving its affairs, may distribute its assets to Merchants Refrigerating Company of California.

3. Merchants Refrigerating Company of California, in acquiring such properties, shall assume all the outstanding long-term indebtedness of Modesto Refrigerating Co.

4. On not less than five days' notice to the Commission and to the public, applicants shall supplement or reissue the tariffs now on file with the Commission, insofar as they name rates, rules and regulations governing warehouse operations of Modesto Refrigerating Co., to show that Modesto Refrigerating Co. has withdrawn or canceled and that Merchants Refrigerating Company of California concurrently has adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to this order in all respects shall comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

5. Modesto Refrigerating Co. 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.

6. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 3rd day of November, 1953.

R. Z. [Signature]
President

Justus J. Calver

[Signature]

[Signature]

Gene Higgins
Commissioners