

**ORIGINAL**

Decision No. 49809

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. 35254

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. )  
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O P I N I O N

This is an application for an order of the Commission author-  
izing Crystal Ice and Cold Storage Co., a corporation, hereinafter  
referred to as the Ice Company, to issue a promissory note in the  
principal amount of \$235,000 and to execute a deed of trust and a  
mortgage of chattels covering real property and equipment, and author-  
izing Crystal Ice and Cold Storage Warehouse, a corporation, herein-  
after referred to as the Warehouse Company, to execute an agreement  
subordinating its leasehold interest in certain properties owned by  
the Ice Company to the lien of 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 the Warehouse Company, its subsidiary, so much of its plant, tools, apparatus and equipment as is necessary for the conduct of a cold storage warehouse business. The Warehouse Company has been conducting a public utility warehouse business in said premises since January 1, 1950.

The Ice Company proposes to enlarge its ice processing plant by the purchase of crushers, sackers, conveyor belts and other equipment. It intends to borrow \$60,000 from The Anglo California National Bank of San Francisco to pay for the improvements.

It appears that the Ice Company is indebted to said bank on unsecured notes in the amount of \$50,000 and that, in addition, it has issued a long-term promissory note to the same bank, pursuant to authorization granted by Decision No. 43835, dated February 20, 1950, in the principal amount of \$208,500, of which a principal balance of \$125,100 remains unpaid. In order to refinance its present indebtedness and to consolidate the same with its additional borrowings, the Ice Company proposes to issue to The Anglo California National Bank of San Francisco its new note for \$235,000, said note to bear interest at the rate of 4-3/4% per annum and to be payable in ten equal consecutive annual installments of \$23,500. It proposes to execute a deed of trust and a mortgage of chattels to secure the payment of the note, which instruments will cover its real and personal properties, including those utilized by the Warehouse Company in its public utility operations.

The Warehouse Company asks permission to subordinate its leasehold interest in the properties of the Ice Company to the lien of 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 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 the Warehouse Company, which 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.

ORDER

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 \$235,000 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 is not necessary, that the application should be granted, as herein provided, that the money,

property or labor to be procured or paid for by 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., after the effective date hereof and on or before May 31, 1954, may issue its promissory note in the principal amount of \$235,000 and, to secure the payment of said note, may execute a deed of trust and a 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, after the effective date hereof and on or before May 31, 1954, may execute 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 indebtedness and to pay the cost of improving its properties as referred to in this application.

4. Within 30 days after the issue of said note, applicants 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 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 23<sup>rd</sup> day of March, 1954.

*R. J. [Signature]*  
President

*Justus J. Casella*  
*Benjamin Potter*  
*John E. [Signature]*  
*Dean [Signature]*  
Commissioners

