

ORIGINAL

Decision No. 70514

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 a Promissory Note)
to be made payable to the order of the)
New England Mutual Life Insurance)
Company, in the face amount of Five)
Hundred Thousand Dollars (\$500,000.00))
together with interest payable monthly)
at the rate of Six per cent (6%) per)
annum; said Note to be secured by a)
Deed of Trust, as more particularly)
set forth in said documents; proceeds)
of said loan to be used for partial)
discharge of present obligations as)
hereinafter alleged.)

Application No. 48277
Filed March 1, 1966
and Amendment
Filed March 9, 1966

O P I N I O N

This is an application for an order of the Commission authorizing National Ice and Cold Storage Company of California to execute a Deed of Trust and to issue a promissory note in the principal amount of \$500,000.

Applicant is a California corporation engaged in the operation of public utility cold storage warehouses in various cities of California. It is engaged also in nonutility activities, the principal one consisting of ice manufacturing.

In this proceeding the company proposes to issue in favor of New England Mutual Life Insurance Company a \$500,000 note repayable in monthly installments of \$3,595, which includes both principal and interest, the interest being computed at the rate of 6% per annum on unpaid principal. The note will be

secured by a Deed of Trust applicable to certain real property of applicant located in the City of Sacramento. The net proceeds to be derived from the note issue, after paying a \$5,000 loan negotiation brokerage fee, are to be used for discharging the obligation represented by a short-term bank note in the amount of \$75,000 which was issued for working capital, and to reduce by \$420,000 the outstanding balance of an indebtedness represented by a previously authorized note.

According to the amendment to the application, the proposed borrowing with total payments amounting to \$43,020 annually will enable applicant to accomplish partially the liquidation of a previously authorized indebtedness requiring total annual payments of \$254,000, thus alleviating an existing hardship.

The Commission has considered this matter and finds that: (1) the proposed note issue is for proper purposes; (2) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purposes specified herein; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed Deed of Trust will not be adverse to the public interest.

On the basis of the foregoing findings we conclude that the application, as amended, should be granted. A public hearing is not necessary. The authorization herein given is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

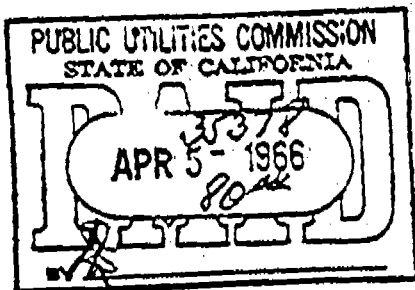
IT IS ORDERED that:

1. National Ice and Cold Storage Company of California, on or after the effective date hereof and on or before July 31, 1966, may execute a Deed of Trust and may issue a promissory note in the principal amount of not to exceed \$500,000 for the purposes specified in the application, as amended. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. National Ice and Cold Storage Company of California shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when National Ice and Cold Storage Company of California has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$80.

Dated at San Francisco, California, this 5th day of APRIL, 1966.



Frederic B. Hallock
President
George T. Glover
Augusta

William B. Gould
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.