

ORIGINAL

Decision No. 70943

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 Fifty Thousand)
Dollars (\$550,000.00) together)
with interest payable monthly at)
the rate of Six and one quarter)
per cent (6 $\frac{1}{4}$ %) 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. 48556
Filed June 15, 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 \$550,000.

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

In this proceeding, applicant seeks authority to issue a \$550,000 note in favor of New England Mutual Life Insurance Company, repayable in monthly installments of \$4,716.25, which include both principal and interest, the latter computed at the rate of 6-1/4% per annum on unpaid principal. The note will be secured by a Deed of Trust applicable to certain property of applicant located in the Cities of Oakland and Petaluma. The proceeds to be obtained from the note issue will be used to discharge a previously authorized debt obligation in the amount of \$545,239.64 bearing interest at the rate of 5% per annum, and to provide \$4,760.36 additional working capital.

According to the application, United States Cold Storage Corporation, the controlling stockholder of National Ice and Cold Storage Company of California, has agreed to reimburse applicant for the increase in cost of interest on funds to be borrowed over that on the obligation to be liquidated, with the result that there will be no additional interest cost to applicant. Moreover, the proposed borrowing with total annual payments of \$56,595, as compared with the total annual payments of \$254,000 applicable to the indebtedness to be refinanced, will result in a substantial reduction in annual cash requirements.

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 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 September 30, 1966, may execute a Deed of Trust and may issue a promissory note in the principal amount of not to exceed \$550,000 for the purposes specified in the application. 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 minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 12th day of JULY, 1966.

Paul E. Mitchell
President

George T. Crover

Fredrick B. Holhoff

Augustus

Muller & Bennett
Commissioners

