

**ORIGINAL**Decision No. 61840

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
WESTERN REFRIGERATING & COLD STORAGE  
COMPANY,

a corporation, for an order authorizing  
it (1) to issue its promissory note  
maturing more than 12 months from the  
date thereof to Bank of America  
National Trust and Savings Association  
and to encumber its property to secure  
said promissory note, and (2) to issue  
its promissory notes maturing more than  
12 months from the date thereof to  
P. A. Musolino, R. G. Musolino,  
M. W. Johnson, Driscoll Strawberries,  
Inc., and Perrin-Cromwell, Ltd.

Application No. 43267  
Filed March 28, 1961

O P I N I O N

Western Refrigerating & Cold Storage Company, applicant herein, is a California corporation and a wholly-owned subsidiary of Southeastern Public Service Company, a Delaware corporation. Applicant owns and operates a public utility cold storage warehouse business at Santa Maria and at San Martin and vicinity. In this application it seeks authorization to execute two deeds of trust and two mortgages of chattels, and to issue promissory notes in the aggregate principal amount of \$1,766,956.36 for the purpose of refinancing outstanding indebtedness.

Applicant reports that the original cost of its properties was \$2,478,296. In financing the acquisition and construction of its facilities, applicant, among other things, issued a \$1,400,000 long-term 6% note to Bank of America National Trust and Savings Association, since reduced to \$1,223,167.50, and four unsecured 6% notes to certain individuals and corporations in the aggregate amount of \$366,956.36, all under authorization granted by Decision No. 59412, dated December 21, 1959, as amended by Decision No. 59537, dated January 26, 1960, and, in addition, borrowed \$522,355.81 from Southeastern Public Service Company on a noninterest bearing open account advance.

With a view to refinancing its outstanding indebtedness and thereby reduce interest charges and quarterly installment payments, applicant has made arrangements to issue a new note to the bank in the principal amount of \$1,400,000 to refund the \$1,223,167.50 balance on the original note and to liquidate a portion of the open account indebtedness, said new note to be secured by two deeds of trust and two mortgages of chattels and to be payable in quarterly installments of \$23,333 with interest at the rate of 5-3/4% per annum. At the same time, applicant desires to reissue the \$366,956.36 of notes which are outstanding to individuals and corporations other than those who now hold said notes. These new notes, which will be unsecured, will be payable, in part, on November 27, 1962 and, in part, on November 27, 1964, with interest at not to exceed 6% per annum.

From a review of the verified application, we are of the opinion, and so find and conclude, that the money, property or labor to be procured or paid for by the proposed note issues 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.

An order will be entered granting the application.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary,

IT IS ORDERED that -

1. Western Refrigerating & Cold Storage Company, a corporation, on or after the effective date hereof and on or before July 31, 1961, may execute two deeds of trust and two mortgages of chattels, and may issue a promissory note in the principal amount of not to exceed \$1,400,000 for the purposes set forth in this proceeding, said documents shall be in, or substantially in, the same form as those attached to the application.

2. Western Refrigerating & Cold Storage Company, a corporation, on or after the effective date hereof and on or before July 31, 1961, may issue seven promissory notes in the aggregate principal amount of not to exceed \$366,956.36 in the form and under the terms set forth in the application and in exchange for outstanding notes in the same aggregate principal amount.

3. Western Refrigerating & Cold Storage Company, a corporation, 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.

4. This order shall become effective when Western Refrigerating & Cold Storage Company, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$177.

Dated at San Francisco, California,  
this 18th day of April, 1961.

*Ernest R. [Signature]*  
President  
*George H. Grover*

Commissioners

