

ORIGINAL

Decision No. 65707

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 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.

Application No. 45536
Filed June 19, 1963

O P I N I O N

Western Refrigerating & Cold Storage Company, a corporation, has filed this application for authorization to execute two deeds of trust and two mortgages of chattels and to issue a note in the principal amount of \$1,550,000 for the purpose of paying outstanding indebtedness.

Applicant is engaged in operating public utility cold storage warehouses located in or near San Martin, Santa Clara County, and Santa Maria, Santa Barbara County.^{1/} It reports that, as of April 30, 1963, its investment in net fixed assets amounted to

^{1/} On July 12, 1960, in Case No. 6607, the Commission determined that applicant had prescriptive operative rights for 50,000 square feet of storage space in San Martin and 73,000 square feet of storage space in Santa Maria. We are informed that there has been no subsequent addition of space. In 1962, applicant reported operating revenues from its warehouse operations at \$812,338 and net operating revenues at \$180,756.

\$2,404,877 and in current assets to \$329,300, and that it had financed itself, in part, with a note issued to Bank of America National Trust and Savings Association now in the amount of \$1,213,336, with other notes in the amount of \$150,000, and with proprietary investment of \$1,301,815, represented by an open account indebtedness to Southeastern Public Service Company, its sole shareholder, and by common stock and surplus.

The company now desires to use the proceeds from the proposed note to refinance the bank obligation and to liquidate a portion of the indebtedness due its parent corporation. The new note will be issued to Bank of America National Trust and Savings Association and will be payable in quarterly installments of \$25,833 with interest at the rate of 5-3/4% per annum. Payment will be secured by a deed of trust and mortgage of chattels encumbering the San Martin plant and a separate deed of trust and mortgage of chattels encumbering the Santa Maria plant.

From a review of the application and the company's financial reports, it appears that applicant's assets and earnings should be sufficient to support and service the proposed note. In our opinion the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

The authorization herein granted is not to be construed as a finding of value of the properties referred to in this application.

O R D E R

IT IS ORDERED that:

1. On or before the effective date hereof and on or before December 31, 1963, Western Refrigerating & Cold Storage Company may execute deeds of trust and mortgages of chattels in the same form, or in substantially the same form, as those annexed to the application and designated as Exhibits B, C, D and E, and may issue its note in the principal amount of not to exceed \$1,550,000 in the form, under the terms, and for the purpose set forth in this proceeding.

2. Western Refrigerating & Cold Storage Company 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.

3. The authority herein granted shall become effective when Western Refrigerating & Cold Storage Company

has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$337.

Dated at San Francisco, California,
this 16th day of JULY, 1963.

William W. Smith
President

George L. Hoover

Frederick B. Hilbiff
Commissioners

