

**ORIGINAL**

Decision No. 67824

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 promissory notes to Bank of  
America National Trust and Savings  
Association and to encumber its  
property.

Application No. 46877  
Filed August 7, 1964

O P I N I O N

Western Refrigerating & Cold Storage Company requests an order of the Commission authorizing it to execute a deed of trust and to issue notes in the aggregate principal amount of \$300,000 for the purpose of refunding an open account obligation.

Applicant is a California corporation engaged in business as a public utility cold storage warehouseman pursuant to the prescriptive operative right determined by the Commission on July 12, 1960, in Case No. 6607. Said right authorizes operation of 50,000 square feet of storage or warehouse floor space in or near San Martin, Santa Clara County and 73,000 square feet at Santa Maria, Santa Barbara County, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.

The balance sheet, attached to the application as Exhibit J, indicates that as of June 30, 1964, the corporation's depreciated investment in fixed assets amounted to \$2,933,600. Said assets were offset, for the most part, by long-term debt and common stock equity in amounts of \$1,395,002 and \$758,307, respectively, and by an open account obligation of \$721,823, payable to its sole stockholder, Southeastern Public Service Company, a Delaware corporation. For the nine-month period ended June 30, 1964, the company reports total revenues of \$774,991 and net income of \$51,050 after a depreciation expense provision of \$86,986.

For the purpose of paying a portion of the open account obligation to its parent corporation, applicant proposes to borrow \$300,000 from Bank of America National Trust and Savings Association and to issue two promissory notes, bearing interest at the rate of 5-3/4% per annum, as evidence of such borrowing. One note will be in the amount of \$165,000 repayable in quarterly installments of \$2,750, plus interest, with a new deed of trust securing the indebtedness. The other note will be in the amount of \$135,000 repayable in quarterly installments of \$2,411, plus interest, and the indebtedness will be secured by previously authorized deeds of trust and mortgages of chattels.

The Commission has considered this matter and finds that: (1) the proposed note issues are for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The authorization herein given 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. Western Refrigerating & Cold Storage Company, on or after the effective date hereof and on or before December 31, 1964, may issue promissory notes in the aggregate principal amount of not to exceed \$300,000 for the purpose specified in this proceeding, and may execute a deed of trust, which documents shall be in the same form, or in substantially the same form, as those attached to the application as Exhibits B, C and D.

2. Western Refrigerating & Cold Storage Company 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 Western Refrigerating & Cold Storage Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$300.

Dated at San Francisco, California,  
this 15th day of SEPTEMBER, 1964.

*Frederic B. Hallock*  
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President  
*[Signature]*  
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*[Signature]*  
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Commissioners

Commissioner George G. Grover, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
**PAID**  
SEP 15 1964  
31049  
by *[Signature]*