

# ORIGINAL

Decision No. 73216

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. 49692  
Filed September 28, 1967

## O P I N I O N

This is an application for an order of the Commission authorizing Western Refrigerating & Cold Storage Company to execute and deliver a Deed of Trust and a Security Agreement, and to issue a note in the principal amount of \$2,200,000.

Applicant is a California corporation operating as a public utility warehouseman in or near San Martin, Santa Maria and Tracy. It is a wholly owned subsidiary of Southeastern Public Service Company, a Delaware corporation. For the ten months ended July 31, 1967, the utility reports total revenues and a net profit of \$1,150,908.04 and \$143,861.83, respectively. A summary of the company's July 31, 1967 balance sheet, attached to the application, is as follows:

Assets

Current assets	\$ 590,342.54
Fixed assets less reserve for depreciation	<u>3,537,370.04</u>
Total	<u>\$4,127,712.58</u>

Liabilities

Current liabilities	\$ 409,022.28
Long-term debt	1,381,638.02
Reserve for deferred federal income tax	336,296.21
Common stock	1,000.00
Capital surplus	400,000.00
Due Southeastern Public Service Company	471,823.05
Earned surplus	<u>1,127,933.02</u>
Total	<u>\$4,127,712.58</u>

Current liabilities and long-term debt include the sums of \$136,978.64 and \$1,361,081.52, respectively, or a total of \$1,498,060.16, representing the current principal on previously authorized notes issued in favor of Bank of America National Trust and Savings Association.

Applicant seeks authority to issue a note in favor of said bank in the principal amount of \$2,200,000, repayable in quarterly installments of \$36,666.67 with interest added at the rate of 6% per annum on the decreasing balance of principal. The indebtedness to be evidenced by the note will be secured by a Deed of Trust and a Security Agreement. The company proposes to expend the \$2,200,000 of note proceeds for the following purposes:

Refunding of bank indebtedness	\$1,498,060.16
Reducing open account balance of \$471,823.05 as of July 31, 1967, due parent corporation	382,439.84
Erection of processing building at San Martin plant	70,000.00
Installation of 4 Amerio plate freezers at Santa Maria plant	240,000.00
Erection of a canopy at Santa Maria plant	<u>9,500.00</u>
Total	<u>\$2,200,000.00</u>

The Commission has considered this matter and finds that: (1) the proposed note 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 and Security Agreement 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 granted 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. Western Refrigerating & Cold Storage Company, on or after the effective date hereof and on or before December 31,

1967, for the purposes specified in this proceeding, may issue its note in the principal amount of not exceeding \$2,200,000, and may execute and deliver a Deed of Trust and a Security Agreement, which documents shall be in the same form, or in substantially the same form, as those attached to the application.

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 \$702.

Dated at San Francisco, California, this 24<sup>th</sup> day of OCTOBER, 1967.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]  
Commissioners

