

ORIGINAL

Decision No. 84690

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of: )  
WESTERN REFRIGERATING & COLD STORAGE )  
COMPANY, a California corporation, )  
for authority to assume a liability )  
as guarantor. )

Application No. 55766  
(Filed June 24, 1975)

O P I N I O N

Western Refrigerating & Cold Storage Company, a California corporation, seeks authority to assume liability as a guarantor of \$6,000,000 aggregate principal amount of indebtedness to be incurred by its parent corporation, Southeastern Public Service Company, a Delaware corporation.

Applicant is a California corporation operating as a public utility warehouseman in San Martin, Santa Maria and Tracy. For the fiscal year ended February 28, 1975, the company reported public utility operating revenues and net income amounting to \$2,337,385 and \$193,157, respectively.

According to Exhibit B filed in this proceeding, Southeastern Public Service Company is a holding and operating company engaged, through subsidiaries and divisions, in business primarily of a service nature. In this connection said exhibit states: "Its activities, carried on in 32 states, involve the performance of specialized maintenance and service work principally for major utility systems, municipalities and state governments, the operation of freezer and cold storage facilities, the manufacture and sale of ice, the sale at retail and wholesale of liquefied petroleum gas and the production and sale of natural gas and oil."

Southeastern Public Service Company has entered into a Bank Credit Agreement with seven participating banks. The agreement provides for a revolving credit in the aggregate principal amount of not exceeding \$6,000,000 for three years at an interest rate of 1/2% over prime, and thereafter on a term loan basis for an additional three years at an interest rate of 3/4% to 1% over prime. A requirement of said agreement is for each wholly owned subsidiary of the borrower, including applicant, to execute and deliver a Guaranty Agreement. The application shows that this would enable applicant to obtain funds through inter-company loans to maintain or increase the public usefulness of its utility property.


After consideration the Commission finds that the Guaranty Agreement would not be adverse to the public interest and concludes that it should be authorized. A public hearing is not necessary.

O R D E R

IT IS ORDERED that Western Refrigerating & Cold Storage Company may execute and deliver a Guaranty Agreement in substantially the same form as that attached to the application as Exhibit C of Exhibit A.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 22nd day  
of JULY, 1975.

  
President





  
Commissioners

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