

Decision No. 23698

825⁰⁰ Fee

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
IMPERIAL VALLEY WAREHOUSE CO.)
to sell and WILLIAMS BROS. GRAIN AND)
MILLING CO. to purchase the building,)
including machinery and contents,)
located at Imperial, California.)

Application No. 21043

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

This is an application for an order authorizing the transfer of a public utility warehouse, located at Imperial, California, from Imperial Valley Warehouse Co., a co-partnership, to Williams Bros. Grain & Milling Company, a corporation.

It appears that on December 17, 1936 A. V. Jester, Frank Teggart and F. G. Lewis, co-partners, entered into an agreement to sell to Williams Bros. Grain & Milling Company a certain building, known as the Imperial Valley Warehouse, situate on land belonging to the Southern Pacific Company, together with machinery and equipment therein, described as follows:-

"A one story concrete building approximately 102 feet x 100 feet with a basement approximately 60 feet x 102 feet, and a one story frame and corrugated iron addition 60 feet x 110 feet, together with loading platforms attached to said building; also spur tracks and switches adjacent to said building and to the right-of-way of SOUTHERN PACIFIC COMPANY; also Grain Cleaners, Piler, Scales, Office Furniture, etc. now contained in foresaid building."

Under the terms of the agreement Williams Bros. Grain and Milling Company agreed to pay for the properties the sum of \$14,000. as follows:-

Upon execution of the agreement	\$1,000.
On or before Jan. 1, 1937	2,000.
On or before Dec. 31, 1937	3,000.
On or before Dec. 31, 1938	3,000.
On or before Dec. 31, 1939	3,000.
On or before Dec. 31, 1940	2,000.

Separate notes, bearing interest at the rate of six percent. per annum, will be executed for each of the amounts. The Commission is advised that no mortgages or deeds of trust will be executed to secure the payment of said note but that the sellers will retain title to the properties until full payment has been made.

The properties apparently have been used for the storage primarily of barley, flax and wheat. In their 1935 annual report the co-partners set forth the cost of the warehouse building and equipment at \$27,299.51, the gross revenues at \$20,703.77 and the expenses at \$18,753.71, leaving a net profit of \$1,950.06. The present owners have stated that they desire to devote all of their attention to the fruit growing and packing business and for that reason wish to be relieved of the public utility storage operations.

The Commission is of the opinion that this is not a matter in which a public hearing is necessary and that the application should be granted, as herein provided. Inasmuch as four of the notes to be given by the purchaser will mature later than one year after date of execution of the agreement of sale, that is, those falling due on December 31st of the years 1937 to 1940, their issue, because of the language in Section 52 of the Public Utilities Act, should be authorized by the Commission. It appears to the Commission that the money, property or labor to be procured or paid for through such issues is reasonably required by the purchaser for the purpose indicated herein and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that A. V. Jester, Frank Teggart and F. G. Lewis, co-partners doing business under the firm name and style of Imperial Valley Warehouse Co. be, and they hereby are, authorized to transfer to Williams Bros. Grain and Milling Company the properties referred to herein, such transfer to be made in accordance with the

terms of the agreement of sale dated December 17, 1936, and on file in this proceeding.

IT IS HEREBY FURTHER ORDERED that Williams Bros. Grain and Milling Company be, and it hereby is, authorized to issue in part payment for such properties the six percent. promissory notes in the aggregate face amount of \$11,000. payable as follows:-

On or before December 31, 1937	\$3,000.
On or before December 31, 1938	3,000.
On or before December 31, 1939	3,000.
On or before December 31, 1940	2,000.

The authority herein granted is subject to the following conditions:-

1. The consideration to be paid for the property herein authorized to be transferred shall never be urged before the Commission, or any other public body, as a measure of value thereof for rate fixing purposes.
2. Applicants, within twenty(20) days after the effective date of this order, shall join in common supplement to the tariffs now on file with the Commission, naming rates for storage in the properties herein authorized to be transferred, applicants A. V. Jester, Frank Toggart and F. G. Lewis on the one hand withdrawing and applicant Williams Bros. Grain and Milling Company on the other hand adopting such tariffs and all effective supplements thereto.
3. Within twenty(20) days after the issue of the notes herein authorized, Williams Bros. Grain and Milling Company shall file with the Commission a copy of each note so issued.
4. The authority herein granted will become effective when Williams Bros. Grain and Milling Company has paid the

minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five(\$25.00) Dollars. Such authority shall lapse and become void if the parties hereto shall not have complied with all the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

DATED at San Francisco, California, this 27th day of March, 1937.

W. H. Harrison
Leon Whitney
Gregory R. Adams
Roy W. Hefner
Ray C. Rice
Commissioners.

By decision no. 29776 ap. 21043
the decision no. 29608 ap. 21043
dated Mar. 22, 1937 was vacated and
set aside

L. H. Matheson
Secretary
Railroad Commission
State of California