

Decision No. 41815

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Henry William Schafer, Frances Louise
 Schafer and Charles C. Chandler, Jr.,
 partners, doing business as Antelope
 Valley Refrigerating Co., a partnership,
 for an Order authorizing the sale of
 property necessary or useful in the
 performance of duties to the public and
 of Antelope Valley Refrigerating Co., a
 California corporation, for an order
 authorizing issue of stocks and author-
 izing the purchase of property necessary
 or useful in the performance of duties
 to the public.

ORIGINAL

Application
No. 29466

OPINION AND ORDER

This is an application for an order of the Public Utilities Commission authorizing Henry William Schafer, Frances Louise Schafer and Charles C. Chandler, Jr., hereinafter referred to as Sellers, to transfer certain cold storage warehouse properties located in Palmdale to Antelope Valley Refrigerating Co., a corporation, and authorizing said corporation to issue 1,000 shares of stock and to assume the payment of obligations.

The application shows that Sellers, doing business as partners under the firm name and style of Antelope Valley Refrigerating Co., are engaged in operating a public utility cold storage warehouse business in Palmdale and in the manufacture and sale of ice and other nonutility business. (1) According to the

(1) Sellers acquired their properties and business from Max Karp, et al., pursuant to authority granted by Decision No. 40970, dated November 25, 1947. For the first five months of 1948 they reported commercial storage income of \$4,463.02, ice sales of \$6,343.61 and other income of \$1,951.69, a total of \$12,758.32.

application their properties include certain land, a refrigerating and storage building, a beverage warehouse, a one-story residence, a garage, shed, pump house, and machinery and equipment. The properties are more particularly described in Exhibit "B" on file in this application. As of June 1, 1948, they report their assets and liabilities as follows:

Assets

Current assets -		
Cash	\$ 2,271.86	
Accounts receivable	2,205.25	
Inventories	1,260.67	
Prepaid expenses	<u>2,930.00</u>	
Total current assets		\$ 8,667.78
Fixed assets -		
Cost	126,025.09	
Less-reserve	<u>7,094.44</u>	
Balance		118,930.65
Other assets		<u>50.00</u>
		<u>\$127,648.43</u>
Total Assets		

Liabilities

Current liabilities -		
Notes payable	\$ 3,066.99	
Accounts payable	6,132.31	
Accrued expenses	<u>635.83</u>	
Total current liabilities		\$ 9,835.13
Long-term liabilities		92,396.25
Deferred income		1,782.60
Capital		<u>23,634.45</u>
		<u>\$127,648.43</u>
Total Liabilities		

Sellers desire to incorporate their business and to that end have caused the organization of Antelope Valley Refrigerating Co. on or about May 26, 1948. It is proposed by Sellers to transfer their properties to said corporation for the sum of \$23,634.45, being their reported investment in the properties and assets as shown by the preceding balance sheet, and to accept in payment 1,000 shares of the corporation's stock at a stated value of \$23.63445 each.

The corporation in addition will assume the payment of the outstanding indebtedness of Sellers.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of said stock 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, therefore,

IT IS HEREBY ORDERED as follows:

1. Henry William Schafer, Frances Louise Schafer and Charles C. Chandler, Jr., after the effective date hereof and on or before December 31, 1948, may sell to Antelope Valley Refrigerating Co., a corporation, the properties referred to in the foregoing opinion and in this application.
2. Antelope Valley Refrigerating Co., a corporation, after the effective date hereof and on or before December 31, 1948, may purchase said property and, in payment, issue not exceeding 1,000 shares of its capital stock, without par value, and assume the payment of the indebtedness referred to herein.
3. Applicants shall, immediately upon the transfer of the aforesaid properties and on not less than five (5) days' notice to the Commission and to the public, supplement or reissue the tariff on file with the Commission insofar as it names rates, rules and regulations governing warehouse operations of Henry William Schafer, Frances Louise Schafer and Charles C. Chandler,

Jr., to show that they have withdrawn or canceled and that Antelope Valley Refrigerating Co., a corporation, has concurrently adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to this order shall in all other respects comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

4. Antelope Valley Refrigerating Co., a corporation, shall file with the Public Utilities Commission a report, or reports, required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

6. The authority herein granted will become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 7th day of July, 1948.

R. J. Anderson
Justice F. Gallen
W. H. F. Squire
Harold A. Kuhl
Samuel P. Patton
Commissioners