

ORIGINAL

Decision No. 43150

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
RAY D. PELTON and BERTHA W. PELTON,  
individuals, to sell and transfer,  
and of HAROLD W. ERNST, ELSWORTH L.  
ERNST, WILMAR F. ERNST and EUGENE  
W. ERNST, a partnership doing bus-  
iness as ERNST BROTHERS, to purchase  
and acquire a public utility ware-  
house at Paso Robles, California,  
and to issue evidence of indebtedness.

Application  
No. 30482

O P I N I O N

In this application, the Commission is asked to make an order authorizing Ray D. Pelton and Bertha W. Pelton, herein-after referred to as Sellers, to sell and transfer warehouse properties to Harold W. Ernst, Elsworth L. Ernst, Wilmar F. Ernst and Eugene W. Ernst, hereinafter referred to as Buyers, and authorizing said Buyers to execute a deed of trust and to issue a note in the principal amount of \$31,000 in part payment of said properties.

Sellers have been engaged in the public utility ware-  
house business, for the storage of grain, in Paso Robles. (1)

On March 14, 1949, they entered into an agreement to sell their warehouse properties for the sum of \$36,000 to Buyers who agreed to pay \$5,000 of the purchase price in cash and to issue a note, secured by a deed of trust on the properties, for the remainder

(1)

Sellers' warehouse properties include a parcel of land in Paso Robles and improvements thereon consisting of a one story brick office building and a brick and wood building containing 27 bins for the bulk storage of grain, with a combined capacity of 3,000 tons, and miscellaneous warehouse equipment. Sellers have reported revenues from the warehouse operations of \$2,614 in 1947 and of \$1,247 in 1948 and their investment, as of December 31, 1948, in land, buildings and equipment at \$29,000 and in the 27 bins at \$7,300.

of the purchase price, said note to be payable in annual installments of \$5,000 or more beginning on April 1, 1950, with interest at the rate of 4% per annum. A copy of the agreement of sale is on file in this proceeding as Exhibit "B", and a copy of the note and deed of trust as Exhibit "C".

The application shows that Buyers for many years have been engaged in the bulk handling of grain in San Luis Obispo County, that they are familiar with Sellers' warehouse business and that financially they are in a position to take over and maintain the operations. An order authorizing the transfer of the properties and the issue and execution of the note and deed of trust accordingly will be entered.

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

#### O R D E R

The Public Utilities Commission having considered the above entitled matter and being of the opinion that a public hearing thereon 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 a note for \$31,000 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. Ray D. Pelton and Bertha W. Pelton, after the effective date hereof and on or before October 31, 1949, may sell and transfer their warehouse properties, such sale and transfer

to be in accordance with the terms of the agreement dated March 14, 1949, filed in this proceeding as Exhibit "B".

2. Harold W. Ernst, Elsworth L. Ernst, Wilmar F. Ernst and Eugene W. Ernst, after the effective date hereof and on or before October 31, 1949, may execute a deed of trust and issue a note in the principal amount of \$31,000 for the purpose of financing, in part, the cost of the properties herein authorized to be transferred, said deed of trust and said note to be in, or substantially in, the same form as those filed in this proceeding as Exhibit "C".

3. Applicants, on not less than five days' notice to the Commission and to the public, shall supplement or reissue the tariff on file with the Commission naming rates, rules and regulations governing warehouse operations by Sellers so as to show that said Sellers have withdrawn from said tariff and Buyers have adopted and established as their own, said rates, rules and regulations. The tariff filings made pursuant to this order shall in all respects comply with the regulations governing the filing of warehouse tariffs set forth in the Commission's General Order No. 61.

4. Buyers shall file with the Commission a report as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted will become effective when Buyers have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$31.00.

Dated at San Francisco, California, this 26<sup>th</sup> day  
of July, 1949.

R. Z. Indusman  
Justice F. C. Cramer  
Harold P. Hule  
Kenneth W. Foster  
Commissioners

