

Decision No. 45077

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CALIFORNIA MEALFALFA COMPANY)
for authority to sell certain public)
utility warehouse properties)
and of)
KERR GIFFORD & CO. INC. OF)
CALIFORNIA)
for authority to purchase said prop-)
erties and to issue a promissory note)
in payment therefor, and to execute a)
deed of trust covering the property)
to be acquired as security for said)
note.)
-----)

ORIGINAL

Application
No. 31923

O P I N I O N

This is an application for an order authorizing California Mealfalfa Company, hereinafter referred to as Seller, to sell public utility warehouse properties to Kerr Gifford & Co. Inc. of California, hereafter referred to as Buyer, and authorizing Buyer to issue a note in the principal amount of \$30,000 and to execute a deed of trust.

Seller is a California corporation engaged, among other things, in the public utility warehouse business in Dixon and in certain nonutility activities, its public utility operations constituting but a small part of its total business. In this application, it reports that it desires to be relieved of its public utility obligations and to devote its activities to its other operations. Accordingly, it has made arrangements to sell all its public utility properties to Buyer.

The properties to be sold include certain real property situated in the City of Dixon, together with frame and concrete buildings and concrete storage bins having a capacity of approximately 2,000 tons of grain. Seller estimates the original cost of such properties at \$62,909.78 and the book value as of May 31, 1950, at \$46,644.46. The agreed purchase price is \$45,000, of which \$15,000 will be paid in cash at the time of conveyance of the properties and the balance of \$30,000 will be payable at the rate of \$10,000 per year. The deferred balance will be represented by a note in the principal amount of \$30,000, with interest at the rate of 4% per annum. The payment of the note will be secured by a deed of trust covering the properties to be transferred.

Buyer is a California corporation engaged, among other things, in operating a public utility warehouse at Dixon which it occupies under a lease from The Grangers Business Association of Dixon. The properties it operates have a storage capacity of approximately 15,750 tons and are adjacent to the properties Buyer now proposes to acquire from Seller. Buyer reports that the two warehouses can be operated as a unit, with one being used for bulk storage and the other for sack storage. The application shows that the rates, rules and regulations contained in Buyer's Warehouse Tariff No. 1 on file with the Commission and applying to its operations in the City of Dixon, are identical with those contained in the tariff of Seller. Said Warehouse Tariff No. 1 will apply to the warehouse properties to be acquired by Buyer from Seller, without further amendment.

A review of the application indicates that the proposed transaction will not be adverse to the public interest, and that accordingly an order should be entered. The action taken by the Commission shall not be construed to be a finding of the value of the properties herein authorized to be sold.

ORDER

The Commission having considered the above entitled matter, and being of the opinion that a public hearing thereon is not necessary; that the requests of applicants should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required by Kerr Gifford & Co. Inc. of California 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. California Mealfalfa Company, after the effective date hereof and on or before February 28, 1951, may sell the warehouse properties referred to in this application to Kerr Gifford & Co. Inc. of California, under the terms and conditions set forth in this proceeding.

2. Kerr Gifford & Co. Inc. of California, after the effective date hereof and on or before February 28, 1951, may issue a note in the principal amount of \$30,000 to finance in part the purchase of said properties, and may execute a deed of trust, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit E and Exhibit F, respectively.

3. California Mealfalfa Company, on one (1) day's notice to the Commission and to the public, shall file a supplement to its existing warehouse tariff to show that it has withdrawn from public utility warehouse operations at Dixon.

4. Kerr Gifford & Co. Inc. of California shall file with the Commission a report, or reports, 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 Kerr Gifford & Co. Inc. of California has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is thirty (\$30.00) dollars.

Dated at San Francisco, California, this 5th day of December, 1950.

[Signature]
Justice F. C. Cullen
[Signature]
Harold P. Kula
[Signature]
Commissioners

