

ORIGINAL

Decision No. 47184

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of HOLLY MEAT PACKING)	
COMPANY and HOLLY COLD STORAGE	:	
COMPANY for a transfer of certifi-)	Application .
cate of public convenience and	:	No. 33397
necessity, and issuance of long)	
term promissory note.	:	
-----)	

O P I N I O N

In this application the Commission is asked to make an order authorizing Holly Meat Packing Company to transfer operative rights and properties to Holly Cold Storage Company, a partnership.

Holly Meat Packing Company is a California corporation which was organized in 1947 to engage in the wholesale meat business. In 1950 it expanded its operations by entering into the cold storage business, receiving from the Commission, by Decision No. 44639, dated August 8, 1950, a certificate of public convenience and necessity authorizing the establishment and operation of a service as a warehouseman, as defined in Section 2½ of the Public Utilities Act, for not to exceed 2,000 square feet of cold storage warehouse floor space at Oakland for the handling of any and all commodities which may require refrigeration while being stored. For the year 1951 the company reported revenues from storage in the amount of \$52,957.49 and net income of \$27,116.67, exclusive of taxes.

The application indicates that those in control of the affairs of the corporation desire to separate the storage activities from the other business of the corporation and have made arrangements for the transfer of the certificate of public convenience and necessity and the public utility property to the corporation's shareholders,

namely, Charles Figone, Louis Figone, Emilio Giorgetti, Charles Bonnici and Robert Archer, who have entered into an agreement of partnership to take over the properties and to continue the operations.

It appears that the transaction took place as of the close of December, 1951. At that time the reported cost of the property was \$272,482.31, which had been met through proprietors' investment of \$70,000 and a long-term installment note in favor of the corporation.

The Commission did not authorize the transfer of the certificate nor the issue of the long-term note. It appears, however, that applicants' failure to obtain such authorization was through inadvertence and with no intent to evade the provisions of the Public Utilities Code. When the matter was called to their attention they filed the present application for appropriate authority from the Commission. As to the indebtedness to be authorized, it appears that it now is in the amount of \$127,800, represented by a note payable to Central Bank in monthly installments of \$1,300 up to April 7, 1962, with interest at the rate of 4% per annum.

It appears that the same properties will be used by the partnership and that there will be no change in the service offered. Under these circumstances the transfer, in our opinion, will not be adverse to the public interest and will be authorized. 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 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 by the issue of the note herein authorized 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. Holly Meat Packing Company, a corporation, after the effective date hereof and on or before October 31, 1952, may transfer the certificate of public convenience and necessity granted by Decision No. 44639, dated August 8, 1950, and the properties referred to in this proceeding to Holly Cold Storage Company, a partnership consisting of Charles Figone, Louis Figone, Emilio Giorgetti, Charles Bonnici and Robert Archer.

2. Charles Figone, Louis Figone, Emilio Giorgetti, Charles Bonnici and Robert Archer, after the effective date hereof and on or before October 31, 1952, may issue a note in the principal amount of not exceeding \$127,800 and may execute a deed of trust to secure the payment of the same, for the purpose of financing the purchase and operation of the properties to which reference is made in this proceeding, such note and deed of trust to be in, or substantially in, the same form as those filed in this application as Exhibit B.

3. On not less than five (5) days' notice to the Commission and the public, applicants shall supplement or reissue the tariffs on file with the Commission insofar as they name rates, rules and regulations governing warehouse operations in the properties herein authorized to be transferred so as to show that Holly Meat Packing Company has withdrawn or canceled and that Holly Cold Storage

Company, a partnership, concurrently has adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to this order in all respects shall comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

4. Holly Cold Storage Company, a partnership, shall file with the Commission monthly 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 Holly Cold Storage Company, a partnership, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is one hundred twenty-eight (\$128.00) dollars.

Dated at San Francisco, California, this 27th day of May, 1952.

R. J. [Signature]
President

Justice J. Calver
Harold A. [Signature]

[Signature]
[Signature]
Commissioners

