

**ORIGINAL**

Decision No. 50529

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
PAUL J. DALTON, MARK EVANS, DALE WEST and	:	
LOUIE M. LYON, copartners doing business as	)	
CASCADE COLD STORAGE CO., and of GEORGE A.	:	
MYERS, KARL D. GENTRY, PERCY MURRAY, RICHARD	)	
M. SMITH and JAMES L. MYERS, copartners doing	:	Application
business as TULELAKE COLD STORAGE CO., for	:	No. 35777
approval of transfer by the former to the latter	)	
of its plant and equipment and for an order	:	
authorizing execution of a promissory note and	)	
a Deed of Trust and Mortgage of Chattels to	:	
secure said note.	)	
-----	:	

O P I N I O N

In this application the Commission is asked to make an order authorizing Paul J. Dalton, Mark Evans, Dale West and Louie M. Lyon, copartners doing business as Cascade Cold Storage Co., to sell warehouse properties to George A. Myers, Karl D. Gentry, Percy Murray, Richard M. Smith and James L. Myers, copartners doing business as Tulelake Cold Storage Co., and authorizing the execution of a deed of trust and chattel mortgage and a note in the principal amount of \$60,000.

Both groups of partners are engaged in the public utility warehouse business at Tulelake. The partners comprising the Cascade Cold Storage Co. are engaged in farming activities and desire to withdraw from the warehouse business so as to devote all their time to their other operations. Accordingly, they have made arrangements to sell their warehouse properties to the other partnership for the agreed purchase price of \$70,000.

In presenting their application to the Commission the sellers have reported their gross revenues for the period ended July 31, 1954, at \$12,069 and their net loss at \$2,353. They have reported their net investment in land and depreciable assets at \$61,645 and in current assets at \$10,317, a total of \$71,962, which they have financed from the following sources:

Notes payable	\$70,000
Accounts payable	805
Partnership capital	<u>1,157</u>
Total	<u>\$71,962</u>

The \$70,000 note is held by W. C. Dalton. He has agreed to accept, in payment, \$10,000 in cash and a promissory note issued by the purchasers for \$60,000 payable in annual installments of \$5,000, or more, with interest at the rate of 5% per annum, payment to be secured by a deed of trust on the real property and a chattel mortgage on the improvements.

The partnership comprising the Tulalake Cold Storage Co. for the year ended June 30, 1954, reported gross revenues of \$130,486 and net income of \$52,139. They have reported their partnership capital invested in their business at \$217,222. In acquiring the properties of the Cascade Cold Storage Co. they report that such properties are near or adjacent to their own facilities and they assert the additional warehouse can be operated profitably by them in conjunction with their present facilities. From our review of the application we are of the opinion that the proposed transfer of properties and the issue of the note will not be adverse to the public interest and that an order should be entered approving the application.

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

ORDER

The Commission having considered the above entitled matter and being 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 by the issue of the note herein authorized is reasonably required by the partners doing business as Tulelake Cold Storage Co. 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. Paul J. Dalton, Mark Evans, Dale West and Louie M. Lyon, copartners doing business as Cascade Cold Storage Co., may transfer their public utility warehouse properties to George A. Myers, Karl D. Gentry, Percy Murray, Richard M. Smith and James L. Myers, copartners doing business as Tulelake Cold Storage Co.
2. George A. Myers, Karl D. Gentry, Percy Murray, Richard M. Smith and James L. Myers, copartners doing business as Tulelake Cold Storage Co., may execute a deed of trust and mortgage of chattels, on or before December 31, 1954, in, or substantially in, the same form as the deed of trust and mortgage of chattels filed in this proceeding as Exhibit G and Exhibit H, respectively, and on or before December 31, 1954, may issue a promissory note in the principal amount of \$60,000, in, or substantially in, the same form

as the note filed in this proceeding as Exhibit F, for the purpose set forth in this application.

3. On not less than five days' notice to the Commission and to the public, applicants shall supplement or reissue the tariffs now on file with the Commission, insofar as they name rates, rules and regulations governing warehouse operations of Paul J. Dalton, Mark Evans, Dale West and Louie M. Lyon, copartners doing business as Cascade Cold Storage Co., to show that said copartners have withdrawn or canceled and that George A. Myers, Karl D. Gentry, Percy Murray, Richard M. Smith and James L. Myers, copartners doing business as Tulelake Cold Storage Co., concurrently have adopted or established as their 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. George A. Myers, Karl D. Gentry, Percy Murray, Richard M. Smith and James L. Myers, copartners doing business as Tulelake Cold Storage Co., 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 George A. Myers, Karl D. Gentry, Percy Murray, Richard M. Smith and James L. Myers, copartners doing business as Tulelake Cold

Storage Co., have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$60.00.

Dated at San Francisco, California, this 28<sup>th</sup> day of September, 1954.

John E. Mitchell  
President

Justus J. Casner

Kenneth Patten

George Higgins

Raymond L. Krumm  
Commissioners

