

ORIGINAL

Decision No. 50662

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of HOWARD T. JOHNSTON, doing	:	
business as CALIFORNIA SEED AND)	Application
FERTILIZER CO., to sell real	:	No. 35850
property.)	
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O P I N I O N

In this application Howard T. Johnston seeks authorization to sell certain real property.

Howard T. Johnston, doing business as California Seed and Fertilizer Co., is engaged in mercantile operations in Yuba City and, incidental thereto, in the operation of a small public utility warehouse having a reported capacity of 10,000 tons of grain, beans and rice.^{1/} His properties include three acres of land upon which are located his warehouse and yard facilities. The application shows the cost of the real property at \$18,955.84 and of the buildings located thereon at \$73,917.43, a total of \$92,873.27, with an accumulated depreciation reserve applicable to the buildings in the amount of \$18,366.01, leaving the net book value of the land and buildings at \$74,507.26.

It appears that applicant now desires to dispose of his real property and improvements and has made arrangements to sell the same to Stanley Yori for the sum of \$250,000, and thereafter to lease back the premises for a period of ten years at a monthly rental of

^{1/} Applicant has reported his gross revenues in the amount of \$1,318,454 for the year 1953 and in the amount of \$678,947 for the first seven months of 1954, with net profit of \$6,484 during last year and \$5,549 during the period ended July 31, 1954. The Commission is informed that about 1% of the gross operations represent public utility warehouse revenues.

\$2,500, the lease to have a renewal option for an additional ten years. The purpose of the transaction is to provide applicant with working capital.

In Exhibit B applicant has set forth a statement of his assets, liabilities and net worth as of July 31, 1954. A summary of the same is as follows:

Assets

Current assets -		
Cash	\$ 1,132.94	
Accounts receivable	101,262.57	
Inventory	<u>25,956.72</u>	
Total current assets		\$128,352.23
Fixed assets -		
Land	18,955.84	
Warehouse	73,917.43	
Equipment	<u>173,071.45</u>	
Subtotal	265,944.72	
Less-depreciation reserves	<u>61,473.42</u>	
Net fixed assets		<u>204,471.30</u>
	Total	<u>\$332,823.53</u>

Liabilities and Capital

Liabilities -		
Accounts payable	\$116,706.94	
Notes and contracts	36,820.65	
Mortgages payable	<u>43,482.63</u>	
Total liabilities		\$197,010.22
Deferred expenses		2,427.80
Proprietor's capital		<u>133,385.51</u>
	Total	<u>\$332,823.53</u>

Upon reviewing the application we are of the opinion that the transaction will not be adverse to the public interest. Applicant will continue to occupy the same premises as he now does. There will be no interruption or change in the public utility storage business, and applicant's financial position will be improved by the addition of the working capital and the liquidation of some of the outstanding liabilities. Accordingly, we will enter an order granting the request.

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

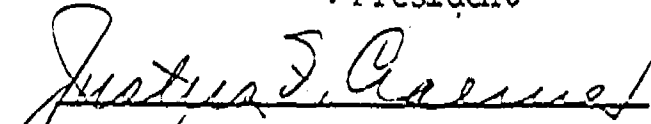
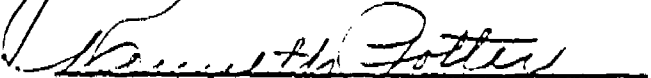
The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided; therefore,

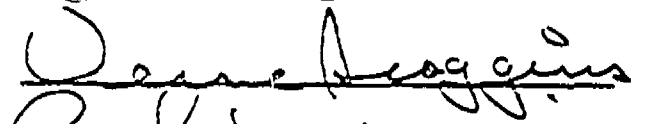

IT IS HEREBY ORDERED as follows:

1. Howard T. Johnston, doing business as California Seed and Fertilizer Co., may sell the properties referred to in the preceding opinion under the terms and conditions set forth in this application.
2. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 19th day of October, 1954.


President



Commissioners