

ORIGINAL

Decision No. 53894

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of COLUSA GLENN DRIER COMPANY and
COLUSA GLENN STORAGE COMPANY for
authorization to transfer tariffs
and other schedules of charges
formerly in the name of the
COLUSA GLENN DRIER COMPANY.

Application No. 38438

OPINION AND ORDER

This is an application for an order authorizing Colusa Glenn Drier Company, a corporation, to lease warehouse facilities to Colusa Glenn Storage Company, a corporation.

Colusa Glenn Drier Company is the owner of real property and improvements located in Maxwell, California, which it utilizes in the conduct of nonutility rice drying and related operations and in public utility storage activities. It reports that it desires to separate its public utility operations from its nonutility operations and that it has organized the Colusa Glenn Storage Company to take over the public utility business and to acquire, by lease arrangements, the use of facilities necessary to conduct such operations. Colusa Glenn Drier Company will reserve from the terms of the lease all drying equipment, machinery, and other equipment necessary and proper for the drying of rice and other agricultural products.

The lease between the two corporations runs for a period of five years, subject to renewal at the option of the lessee, and provides for a monthly rental equal to one-third of the gross receipts received by the lessee from performing the functions and duties of a warehouseman.

It appears that Colusa Glenn Storage Company intends to apply to the Commission for authorization to issue stock to finance the operations. In the meantime, Colusa Glenn Drier Company will provide the necessary cash working capital.

The application shows that the Colusa Glenn Storage Company will adopt the rates, tariffs and rules now on file in the name of Colusa Glenn Drier Company and that there will be no change in the operations as the result of the transfer. The application indicates that Colusa Glenn Drier Company is in a good financial condition and in a position to finance the utility operations of the storage company and that the proposed transfer will not interfere with the public utility service now offered the public. In an exhibit attached to the application Colusa Glenn Drier Company reports its gross revenues for the eleven months ended August 31, 1956 at \$224,002, including storage revenues of \$60,826 and net profit from all sources of \$66,563. The corporation reports its depreciated investment in fixed assets of \$483,537, which has been financed, primarily, by the issue of long-term debt of \$140,000 and common stock equity capital of \$342,151.

From a review of the application, we are of the opinion and so find that a public hearing is not necessary in this application and that the proposed transfer will not be adverse to the public interest and should be approved; therefore,

IT IS HEREBY ORDERED as follows:

1. Colusa Glenn Drier Company and Colusa Glenn Storage Company may enter into a lease in substantially the same form as that filed in this proceeding and Colusa Glenn Storage Company, pursuant to the terms of said lease, shall enter into and exercise the rights

and fulfill the functions of a public utility warehouse company now performed by Colusa Glenn Drier Company,

Provided the authority herein granted is not to be construed as relieving in any way the property leased from its present devotion to the public use.

2. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs now on file with the Commission, insofar as they name rates, rules and regulations governing the warehouse operations of Colusa Glenn Drier Company, to show that Colusa Glenn Drier Company has withdrawn or canceled and that Colusa Glenn Storage Company 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.

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

4. The authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 10th day of October, 1956.

[Signature] President
Justus J. Caswell
[Signature]
[Signature]

 Commissioners