

Decision No. 54872

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of LAWRENCE WAREHOUSE COMPANY, a corporation, for authorization to sell and transfer its cold storage warehouse properties and business, at Stockton, California, to FRED NEWBURG and of FRED NEWBURG to sell and transfer said properties and business to UNION ICE & STORAGE COMPANY, a corporation; and of UNION ICE & STORAGE COMPANY to issue a promissory note and encumber public utility property.

Application No. 38949

O P I N I O N

This is an application for an order authorizing the transfer of cold storage facilities in Stockton which are now operated by Lawrence Warehouse Company.

The application shows that the total gross revenues received by Lawrence Warehouse Company from the conduct of its Stockton operations is less than 1% of its entire gross revenues from all sources, that Lawrence Warehouse Company, despite continuous efforts to increase its volume of business, has been unable to attract sufficient business to its Stockton warehouse to operate at a profit and that during 1956, its losses at the Stockton plant aggregated \$72,375. The application further shows that Lawrence Warehouse Company desires to discontinue its operations at Stockton and that it has made arrangements to dispose of its real property and improvements to Fred Newburg for the sum of \$200,000.

It is reported that following the negotiations with Fred Newburg, a second agreement was reached by said Newburg and Union Ice & Storage Company for the acquisition by the Union Ice & Storage Company of the cold storage facilities, which are the subject of this application, for the sum of \$200,000. Of the agreed purchase price, \$20,000 will be paid in cash and \$180,000 will be represented by a promissory note secured by a deed of trust payable in annual installments of \$20,000, with interest at the rate of 5% per annum.

It appears that Union Ice & Storage Company presently is operating cold storage facilities in Stockton and that it is of the opinion it will be better able to continue the present operations with better results than any other operator, by reason of its statewide organization and its widespread facilities.

Upon consummation of the proposed transfer, the tariffs of Lawrence Warehouse Company would be canceled. At the same time the presently effective rates, rules and regulations applicable to other warehouse operations now conducted by Union Ice & Storage Company would become effective to the operation involved in this application. The proposed tariff changes would establish uniformity with the rates, rules and regulations now published by Union Ice & Storage Company and other public utility warehousemen in Stockton. Both increases and reductions would result, but it appears that the rate changes are inconsequential. Under the circumstances, it appears that this is a matter in which a public hearing is not necessary and that applicants' proposals, including the transfer of properties and the changes in rates, rules and regulations, are not adverse to the public interest and are justified. The requested authority will be granted.

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, 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 by Union Ice & Storage Company herein authorized is reasonably required by applicant for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Lawrence Warehouse Company may sell and transfer the warehouse properties and business referred to in this application to Fred Newburg, in accordance with the terms and provisions of the agreement dated January 31, 1957, and Fred Newburg may sell and transfer such properties and business to Union Ice & Storage Company, in accordance with the terms and provisions of the agreement dated February 28, 1957.

2. Union Ice & Storage Company, in acquiring said warehouse properties and business, may execute a deed of trust and may issue a promissory note in the principal amount of not exceeding \$180,000, which deed of trust and note shall be in, or substantially in, the same form as those filed in this proceeding.

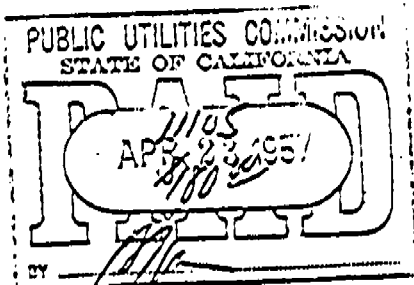
3. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, Lawrence Warehouse Company shall cancel its tariffs governing the warehouse operations here involved, and Union Ice & Storage Company shall reissue or amend its tariffs governing its present warehouse operations at Stockton to make such tariffs applicable to the operations at the properties here involved. The tariff filings made pursuant to this order shall in all other respects comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

4. Union Ice & Storage Company shall file with the Commission a monthly 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 Union Ice & Storage Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$180.

Dated at San Francisco, California, this 22<sup>nd</sup> day of April, 1957.

John F. Mitchell  
President  
Paul Vintreuer  
William H. ...



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Commissioners