

ORIGINAL

Decision No. 55414

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of WILLOWS RICE DRIER & STORAGE COMPANY, a corporation, for authorization to transfer, and of CHESTER I. WOLCOTT and R. W. GROVES, partners doing business as WILLOWS RICE DRIER & STORAGE COMPANY to acquire public utility warehouse properties, and of CHESTER I. WOLCOTT and R. W. GROVES for authorization to issue promissory notes and encumber public utility property.

Application No. 39317

OPINION AND ORDER

This is an application for an order of the Commission (1) authorizing Willows Rice Drier & Storage Company, a corporation, to transfer its public utility warehouse properties and business to Chester I. Wolcott and R. W. Groves, partners doing business as Willows Rice Drier & Storage Company, and (2) authorizing said partners to execute a deed of trust and a mortgage of chattels, and to issue two notes in the aggregate principal amount of \$255,000.

Willows Rice Drier & Storage Company, a corporation, is engaged in the business of a public utility warehouseman in the storage and handling of rice and grain at Willows. Chester I. Wolcott and R. W. Groves propose to acquire all of the stock of said corporation simultaneously with the transfer to them by it of all its assets and liabilities. The purchase price of the

properties proposed to be transferred is \$285,000, payable by \$30,000 in cash upon consummation of the transfer, with the balance of \$255,000 in the form of two notes bearing interest at the rate of 5 per cent per annum, one in the amount of \$45,000 payable in three annual installments of \$15,000 commencing June 7, 1958, and the other in the amount of \$210,000. payable in annual installments of \$30,000 commencing June 7, 1961. Payment of said notes will be secured by a deed of trust and a mortgage of chattels.

It appears to us that there will be no change in the rates or service as the result of the transfer and that the same operative properties will be available to the partnership as now are utilized by the corporation.

Upon reviewing the verified application, we are of the opinion, and so find, that the transfer will not be adverse to the public interest, that a public hearing is not necessary, that the application should be granted, that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicant partners 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. Willows Rice Drier & Storage Company, a corporation, on and after the effective date hereof and on or before December 31, 1957, may transfer its warehouse properties and business to Chester I. Wolcott and R. W. Groves.

2. Chester I. Wolcott and R. W. Groves may issue two notes, one in the amount of \$45,000 and the other in the amount of \$210,000, for the purpose specified herein, which notes shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit C.

3. Chester I. Wolcott and R. W. Graves may execute a deed of trust and a mortgage of chattels in, or substantially in, the same form as those filed in this proceeding as Exhibit D and Exhibit E, respectively.

4. 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 here involved, to show that Willows Rice Drier & Storage Company, a corporation, has withdrawn or canceled and Chester I. Wolcott and R. W. Groves, partners doing business as Willows Rice Drier & Storage Company, 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.

5. Chester I. Wolcott and R. W. Groves 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.

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

7. The authority herein granted will become effective when Chester I. Wolcott and R. W. Groves have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$255.

Dated at San Francisco, California, this 20th day of AUGUST, 1957.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners

