

ORIGINAL

Decision No. 55775

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PACIFIC MILL & ELEVATOR CO., a corporation, for authorization to lease, and of LAWRENCE WAREHOUSE COMPANY, a corporation, to acquire by lease, public utility warehouse properties

Application No. 39495

O P I N I O N

This is an application for an order authorizing Pacific Mill & Elevator Co., a corporation to lease certain warehouse properties to Lawrence Warehouse Company, a corporation.

Pacific Mill & Elevator Co., is a California corporation which was organized in 1947 and which is engaged in the operation of public utility warehouse properties at Artois, Corning and Rotavele, in the Sacramento Valley, for the storage of grain and related commodities. The company reports that it desires to discontinue its public utility operations and that, subject to receiving authorization from the Commission, it proposes to lease its warehouse properties to Lawrence Warehouse Company pursuant to the terms of an agreement dated October 1, 1957, for a period of two years, subject to extension under certain circumstances, at a rental starting at 50% of the first \$20,000 of net proceeds and at a graduated percentage of net proceeds above \$20,000.

Lawrence Warehouse Company, the lessee, is a California corporation which was organized in 1913 and which is engaged in business primarily as a nonutility but, however, as a public warehouseman at Fresno and Esparto. It desires to extend its warehouse

operations and reports that, should the present application be granted, it will adopt the rates, rules and regulations of Pacific Mill & Elevator Co., and will continue to render grain warehouse service to the public. It asserts, and its financial statements so ^{1/} indicate, that it has adequate working capital for the operations.

Upon reviewing the verified application, it appears to us, and we so find, that the proposed transaction will not be adverse to the public interest.

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; therefore,

IT IS HEREBY ORDERED as follows:

1. Pacific Mill & Elevator Co., a corporation, may lease to Lawrence Warehouse Company, its public utility warehouse operating properties under the terms and conditions set forth in the lease dated October 1, 1957, filed in this proceeding, which lease Pacific Mill & Elevator Co., and Lawrence Warehouse Company are authorized to execute.

2. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of

^{1/} For the first eight months of 1957, Lawrence Warehouse Company reports revenues of \$14,384,430, including \$126,130 from storage operations, and net income, after interest and other fixed charges, of \$256,538. As of the end of August, 1957, it reports current and accrued assets in the amount of \$2,938,991 and current and accrued liabilities in the amount of \$1,365,275.

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 of Pacific Mill & Elevator Co., to show that Pacific Mill & Elevator Co., has withdrawn or canceled and that Lawrence Warehouse 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 authorization herein given shall not be construed to be a finding of the value of the properties herein authorized to be leased nor as indicative of amounts to be included in operating expenses.

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

Dated at San Francisco, California, this 5th day of November, 1957.

Paul Leites President
W. H. D. D. D.
R. H. D. D.
L. L. Fox Commissioners