

ORIGINAL

Decision No. 56267

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
NORTHERN CALIFORNIA WAREHOUSE COMPANY

and

NORTHERN CALIFORNIA COMPANY

for an order authorizing the sale by
NORTHERN CALIFORNIA WAREHOUSE COMPANY
to NORTHERN CALIFORNIA COMPANY of
certain public utility warehouse
property.

Application No. 39782

Application of NORTHERN CALIFORNIA
COMPANY to issue 250 shares of its
common stock and certain of its
Promissory Notes.

Application No. 39783

O P I N I O N

These are applications for an order of the Commission (1) authorizing Northern California Warehouse Company, a corporation, to sell and transfer public utility warehouse properties and business to Northern California Company, a corporation, (2) authorizing Northern California Company to issue and sell 250 shares of its common stock of the par value of \$100 each to Berger & Plate Company of San Francisco, and (3) authorizing Northern California Company to execute a deed of trust and a mortgage of chattels and to issue a note in the principal amount of \$68,000.

Northern California Warehouse Company owns and operates a public utility warehouse in Modesto. It is engaged in related non-utility operations at Modesto and Fresno. The operations at Fresno

are not involved in these proceedings. It is a wholly-owned subsidiary of Rosenberg Bros. & Co. Inc., which is said to be in process of curtailment of its business activities and desirous of withdrawing from the public warehouse business and which has caused arrangements to be made for the transfer of the warehouse properties to Berger & Plate Company of San Francisco. Berger & Plate Company has organized a new company, Northern California Company, to acquire the warehouse properties and business and to continue the operations.

A pro forma balance sheet of Northern California Company upon acquiring the properties of Northern California Warehouse Company, as set forth in Exhibit E attached to Application No. 39782, shows the purposes for which the proposed stock is to be issued and indebtedness to be incurred, as follows:

Assets

Current assets -	
Cash	\$ 16,000
Inventory - supplies	17,000
Total current assets	<u>33,000</u>
Fixed assets -	
Buildings and improvements	52,000
Machinery, equipment, etc.	21,000
Total fixed assets	<u>73,000</u>
Land	<u>12,000</u>
 Total	 <u>\$118,000</u>

Liabilities and Capital

Notes payable -	
Bank of California, National Association	\$ 25,000
Northern California Warehouse Company	68,000
Total liabilities	93,000
Capital -	
250 shares of common stock, \$100 par value	<u>25,000</u>
 Total	 <u>\$118,000</u>

The \$25,000 note in favor of Bank of California, National Association, will be represented by a demand note, which, on its face, will not be payable more than 12 months after the date of issuance, and may be issued without authorization from this Commission. The \$68,000 note in favor of Northern California Warehouse Company will be issued jointly and severally by Berger & Plate Company of San Francisco and Northern California Company, and will be payable in one annual installment of \$11,333.35 and five annual installments of \$11,333.33, with interest at the rate of six per cent per annum payable semiannually on decreasing principal balances. Payment of the \$68,000 note will be secured by a deed of trust and a mortgage of chattels. While the initial debt ratio of Northern California Company is high, reference to Exhibit F attached to Application No. 39782 shows that Berger & Plate Company of San Francisco is in a sound financial position. Inasmuch as the latter company will be jointly responsible for payment of the indebtedness to be represented by the \$68,000 note, we shall not withhold our approval.

Northern California Company also seeks authorization to borrow up to \$100,000 from Bank of California, from time to time, and to issue demand notes in evidence of such borrowings. Such notes may be issued without Commission authorization.

A review of the applications shows that there will be no change in the rates or service as the result of the transfer and that the same public utility warehouse properties will be available to Northern California Company as now are utilized by Northern

California Warehouse Company. Accordingly, we are of the opinion, and so find, that the transfer will not be adverse to the public interest and should be authorized.

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 matters and being of the opinion that a public hearing is not necessary, that the applications should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the stock and note herein authorized is reasonably required by Northern California Company 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. Northern California Warehouse Company, on and after the effective date hereof and on or before June 30, 1958, may sell and transfer its warehouse properties and business to Northern California Company.
2. Northern California Company may issue and sell not exceeding \$25,000 par value of its common stock, may execute a deed of trust and a mortgage of chattels, and may issue, jointly with Berger & Plate Company of San Francisco, and severally, a promissory


note in the principal amount of not exceeding \$68,000, for the purposes set forth in these proceedings, which deed of trust, mortgage of chattels and note shall be in, or substantially in, the same form as those attached to Application No. 39782.

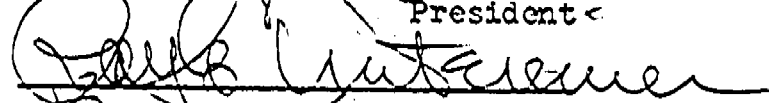
3. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs now on file with the Commission, insofar as they name rates, rules and regulations governing the warehouse operations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


4. Northern California Company 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.

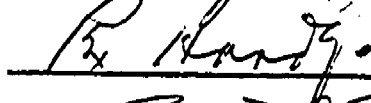
5. The authority herein granted will become effective when Northern California Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$68.


Dated at San Francisco, California, this 25th day of FEBRUARY, 1958.



President <








Commissioners

