

ORIGINAL

Decision No. 58934

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ADELBERT PFLAGING, doing business as the W. H. SISK WAREHOUSE, to sell real property and equipment used in a public utility warehouse business conducted at Harp, Stanislaus County, California, and of the STANISLAUS FARM SUPPLY COMPANY, a Corporation, to purchase the same.

Application No. 40169

OPINION AND ORDER

In the above-entitled matter, the Commission is asked to enter its order authorizing Adelbert Pflaging to transfer warehouse properties to Stanislaus Farm Supply Company, a corporation.

According to the verified application, said Pflaging, doing business as the W. H. Sisk Warehouse, has been engaged in the public warehouse business and in certain non-utility operations in Stanislaus County. His 1957 report of operations stated storage revenues at \$66.87 and non-utility revenues at \$15,670. The application shows that Pflaging, for personal reasons, now desires to retire from his operations and has made arrangements to sell his properties to Stanislaus Farm Supply Company for the agreed price of \$75,000. The properties include real estate and improvements having an agreed value of \$55,000 and a residence having an agreed value of \$20,000.

Under the terms of the agreement, the sum of \$10,000 will be paid in cash; \$10,000 will be represented by the issue by the purchaser of 500 shares of its preferred stock, Class C, having an agreed value of \$20 per share; and \$55,000 will be represented by a promissory note bearing interest at the rate of 5% per annum, payable in annual installments of \$2,750 or more. The payment of the note will be secured by a deed of trust covering the properties to be transferred.

Stanislaus Farm Supply Company is a nonprofit cooperative association which was organized under the laws of the State of California on June 13, 1949. Its financial statement for the fiscal year ended August 31, 1957, shows revenues from sales in the amount of \$621,799 and other revenues of \$14,157, with net revenues of \$15,966.

Upon reviewing this application we are of the opinion that the proposed transfer will not be adverse to the public interest; 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 for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; NOW THEREFORE,

IT IS HEREBY ORDERED as follows:

1. Adelbert Pflaging may transfer his public utility warehouse business and property to Stanislaus Farm Supply Company as set forth in this application.

2. Stanislaus Farm Supply Company, in acquiring the properties from Adelbert Pflaging, may execute a deed of trust in, or substantially in, the same form as that filed in this proceeding, and may issue its promissory note in the principal amount of not exceeding \$55,000 and not exceeding 500 shares of its preferred stock, Class C, having an agreed value of \$20 per share.

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

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 of Adelbert Pflaging, to show that Adelbert Pflaging, doing business as W. H. Sisk Warehouse, has withdrawn or canceled and that Stanislaus Farm Supply 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.

5. Stanislaus Farm Supply 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.

6. The authority herein granted will become effective when Stanislaus Farm Supply Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$55.

Dated at San Francisco, California, this 9th day of July, 1958.

E. J. Fox
President
W. E. Mitchell
Paul C. Carter
W. H. Paul
Theodore J. Jensen
Commissioners

