

ORIGINAL

Decision No. 58155

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

(a) Walter J. Vogel and Agnes Arthur Vogel to transfer public utility warehouse operative right to Walter J. Vogel Warehouse Company; and of

(b) Walter J. Vogel and Agnes Arthur Vogel to sell and Walter J. Vogel Company to purchase public utility warehouse facilities; and of

(c) Walter J. Vogel Company to lease and Walter J. Vogel Warehouse Company to hire public utility warehouse facilities; and of

(d) Walter J. Vogel Warehouse Company to issue capital stock.

Application No. 40864

O P I N I O N

Walter J. Vogel operates as a public utility warehouseman in premises located at 860 Main Street, Brawley, California. In this application, he seeks authority from this Commission (1) to sell and transfer his public utility warehouse properties to Walter J. Vogel Company, a California corporation organized on or about April 9, 1954, and (2) to transfer his public utility warehouse business to Walter J. Vogel Warehouse Company, a California corporation organized on or about May 21, 1956. In addition, Walter J. Vogel Company and Walter J. Vogel Warehouse Company propose to enter into a lease agreement, and the latter corporation desires authority to issue and sell, at par for cash, \$1,000 par value of its capital stock, and expend the proceeds for organizational expenses and for working capital.

Walter J. Vogel's operations as a public utility warehouseman are of a minor nature. For the years 1955, 1956, and 1957, he reported operating revenues of \$2,849.82, \$3,108.68, and \$2,288.20, respectively. Previously, he transferred his related nonutility business to Walter J. Vogel Company. He now proposes, together with Agnes A. Vogel, his wife, to sell and transfer the premises located

at 860 Main Street, Brawley, in which all the activities are conducted, to Walter J. Vogel Company, which corporation, in turn, will lease to Walter J. Vogel Warehouse Company the portion needed for the conduct of a public utility warehouse.

The proposed lease agreement provides that Walter J. Vogel Warehouse Company will pay as rent 90% of the gross receipts from its conduct of public utility warehousing on the premises, and Walter J. Vogel Company will make available to it the storage facilities, office space, office equipment, grain augers, elevators, dumping pit, truck hoist, truck scale, hand trucks and motor trucks, together with employees to operate the same. In addition, Walter J. Vogel Company will pay for, among other things, all utilities furnished to the premises. Such proposed agreement contains a provision that the facilities shall be used in the operation of a public utility warehouse for the storage of grains, seeds, fertilizers and insecticides and for no other purpose or purposes.

This restriction as to goods to be stored is inconsistent with Walter J. Vogel's tariffs now on file with this Commission. His Warehouse Tariff No. 1, Cal. P.U.C. No. 1, names rates for the storage of grain, grain products, field seed, flax and strained honey. The application states that Walter J. Vogel Warehouse Company contemplates no material change in the manner of future and continued operation of the public warehouse functions or in the scope and extent thereof or in the rates for such public services. Therefore, we shall condition our authorization to enter into the lease agreement upon an appropriate modification to show that the new utility corporation holds itself out to store all of the commodities named in the tariff on file with the Commission. In addition, the new utility corporation will be required to file rates for fertilizers and insecticides, which the lease arrangement indicates are now being stored.

It appears that the proposed transactions will not interfere in the service offered to the public and we are of the opinion, and so find, that the transactions will not be adverse to the public interest. The authorization herein given is not to be construed as a finding of the value of the properties and business 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 stock herein authorized is reasonably required 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 ORDERED as follows:

1. Walter J. Vogel may sell and transfer his public utility warehouse properties to Walter J. Vogel Company, a corporation, and, together with Agnes A. Vogel, his wife, may execute a grant deed in substantially the same form as that attached to the application as Exhibit C.

2. Walter J. Vogel may transfer his public utility warehouse business to Walter J. Vogel Warehouse Company, a corporation.

3. Walter J. Vogel Warehouse Company, a corporation, may enter into a lease agreement with Walter J. Vogel Company, a corporation, in substantially the same form as that attached to the application as Exhibit D, provided said agreement is modified as indicated in the foregoing opinion, and provided rates are established for the storage of fertilizer and insecticides concurrently with the filing of tariff amendments directed by Ordering Paragraph 5 hereof.

4. Walter J. Vogel Warehouse Company, a corporation, on and after the date hereof and on or before June 30, 1959, may issue and sell at par for cash not to exceed \$1,000 par value of its capital stock, and expend the proceeds for organizational expenses and for working capital.

5. 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 W. J. Vogel has withdrawn or canceled and that Walter J.

Vogel Warehouse Company, a corporation, 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.

6. Within 30 days after issuing any of the shares of stock herein authorized, Walter J. Vogel Warehouse Company, a corporation, shall file with the Commission a statement showing to whom it issued the shares of stock, the proceeds derived therefrom, and the purposes for which it expended such proceeds together with the amount expended for each purpose.

7. Within 30 days after it enters into the modified lease agreement with Walter J. Vogel Company herein authorized, Walter J. Vogel Warehouse Company shall file with the Commission a copy thereof as actually executed.

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

Dated at San Francisco, California, this 24th day of March, 1959.

E. J. Fox
President
John E. Boyle
William J. O'Connell
Theodore J. Deemer
Ernest A. [unclear]
Commissioners