

DECISION NO. 58633 CASE NO. _____ APP. NO. 41180

1st. Cont.

ORIGINAL

Decision No. 58633

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of Application of
SAN JOAQUIN ELEVATOR AND SUPPLY
COMPANY, a corporation, for authority
to sell utility properties necessary
or useful in the performance of duties
to the public,

and of
M. D. GREEN RICE MILLING CO., a
corporation, to purchase utility
properties necessary or useful in
the performance of duties to the
public.

Application No. 41180
(and First Amendment)

O P I N I O N

In this application, as amended, the Commission is asked to make its order (1) authorizing San Joaquin Elevator and Supply Company to sell warehouse property to M. D. Green Rice Milling Co., and (2) authorizing M. D. Green Rice Milling Co., to issue its promissory note in the principal amount of \$180,000.

San Joaquin Elevator and Supply Company is a California corporation which was organized during 1948 and which, for many years, has been engaged in operating a public utility warehouse at San Joaquin and in conducting nonutility rice drying and cleaning activities. Among other things, it reports that it owns a parcel of real estate consisting of approximately five acres, together with improvements thereon, and that the original cost of said property was \$458,688 and the book value is \$196,951.

M. D. Green Rice Milling Co., is a California corporation which was organized in 1957 and now is engaged in nonutility merchandising activities including the operation of a private rice mill at Merritt Station, Yolo County. Its financial statement shows its current assets as of April 30, 1959, at \$209,011 as compared with current liabilities of \$166,194 and its net investment in tangible capital at \$177,924, with long-term debt of only \$32,554. It reports proprietary capital of \$199,142.

The application shows that San Joaquin Elevator and Supply Company now desires to withdraw from its operations as a public utility warehouseman and that it has made arrangements to sell its real property and improvements to M. D. Green Rice Milling Co., for the sum of \$200,000, of which \$20,000 will be paid forthwith and \$180,000 will be represented by a promissory note payable in substantially equal annual installments on the first of March of each of the years 1960 to 1966, inclusive, with interest at the rate of 5% per annum.

M. D. Green Rice Milling Co., desires to acquire the property in order to extend its operations. It reports that there will be no change in the service available to the public and no change in the rates. It will adopt the presently effective rates, rules and regulations of San Joaquin Elevator and Supply Company which are now on file with the Commission. The financial statement of the purchaser indicates that it has adequate working capital to continue the present utility operations.

Upon giving full consideration to the circumstances and allegations set forth in the verified application, we will enter our order granting applicants' requests.

O R D E R

The Commission has considered the above-entitled matter and is of the opinion, and so finds, that a public hearing is not necessary, 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 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; therefore,

IT IS HEREBY ORDERED as follows:

1. San Joaquin Elevator and Supply Company may sell the warehouse property and business referred to in this application to M. D. Green Rice Milling Co., in accordance with the terms and provisions of the agreement filed in this proceeding as Exhibit E.

2. M. D. Green Rice Milling Co., in part payment for said warehouse property and business may issue its promissory note in the principal amount of not to exceed \$180,000, said note to be in, or substantially in, the same form as the note filed in this proceeding as Exhibit F.

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 of San Joaquin Elevator and Supply Company, to show that San Joaquin Elevator and Supply Company has withdrawn or canceled and that M. D. Green Rice Milling Co., 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. The authorization herein granted shall not be construed as a finding of the value of the property and business herein authorized to be transferred.

5. M. D. Green Rice Milling Co., 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 M. D. Green Rice Milling Co., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$180. If not exercised, such authority will expire on December 31, 1959.

Dated at San Francisco, California,
this 23rd day of June, 1959.

[Signature]
President
[Signature]
[Signature]
Theodore Deener
Covert W. Pope
Commissioners

