

ORIGINAL

Decision No. 62645

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
D. S. ADAMS, D. Q. ADAMS, D. Q. ADAMS, JR.,
W. W. ADAMS, W. W. ADAMS, JR., ELIZABETH
ADAMS McCLURE and MARGARET ADAMS DALLAM,
doing business as ADAMS, SCHWAB & ADAMS
WAREHOUSE COMPANY, for an order authorizing
transfer of said warehouse business to
D. S. ADAMS, D. Q. ADAMS, W. W. ADAMS,
W. W. ADAMS, JR., W. O. ADAMS, ELIZABETH
ADAMS McCLURE, MARGARET ADAMS DALLAM,
NANCY ADAMS BLOOM and ELIZABETH ADAMS
PEABODY, doing business as ADAMS,
SCHWAB & ADAMS WAREHOUSE COMPANY,
and authorizing Transferees to issue
promissory note and execute encumbrances
of public utility property

Application No. 43738
Filed September 8, 1961

OPINION AND ORDER

This is an application for an order authorizing the transfer of the Adams, Schwab & Adams Warehouse Company, the execution of a deed of trust and two mortgages of chattels and the issue of a note in the principal amount of \$500,000.

The application shows that D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, W. W. Adams, Jr., Elizabeth Adams McClure and Margaret Adams Dallam are partners doing business as Adams, Schwab & Adams Warehouse Company and, as such, are engaged in the public utility warehouse business at Dunnigan and Woodland; that D. Q. Adams, Jr., is withdrawing from the partnership; and that the surviving partners, plus three more individuals, namely,

W. O. Adams, Nancy Adams Bloom and Elizabeth Adams Peabody, desire to acquire his interest and to organize a new partnership to continue the operations of the warehouse.

The new partnership proposes to borrow \$500,000 from Wells Fargo Bank American Trust Company and to use the proceeds to pay outstanding bank loans in the amount of \$265,900; to liquidate indebtedness of \$93,415.24 in favor of Adams, Schwab & Adams, an affiliated partnership; to finance the estimated cost of \$24,000 of new facilities at the Woodland plant; and to provide working capital of \$116,684.76. The borrowing will be represented by a note payable in equal monthly installments of \$5,600 commencing October 1, 1961, with interest at the rate of 6 per cent per annum. The payment of the note will be secured by a deed of trust and two mortgages of chattels.

Information before the Commission shows that the utility is in need of additional working capital to improve the cash position; that the utility, upon the issue of the note, will have a reasonably balanced structure with proprietary capital approximately in balance with the long-term debt; and that the earnings of the utility, based on past recorded experience, should be ample to service the proposed note. The application shows that there will be no change in the facilities, operations or rates as a result of the proposed transfer.

The Commission is of the opinion, and so finds and concludes, 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~~ *is reasonably required* for the purposes specified herein; that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and that a public hearing is not necessary; therefore,

IT IS ORDERED that -

1. D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, W. W. Adams, Jr., Elizabeth Adams McClure and Margaret Adams Dallam, doing business as Adams, Schwab & Adams Warehouse Company, may transfer the public utility warehouse rights, properties and operations referred to in this application to D. S. Adams, D. Q. Adams, W. W. Adams, W. W. Adams, Jr., W. O. Adams, Elizabeth Adams McClure, Margaret Adams Dallam, Nancy Adams Bloom and Elizabeth Adams Peabody and said transferees may execute a deed of trust and two mortgages of chattels, and may issue a note in the face amount of not to exceed \$500,000 under the terms and for the purposes specified in the application herein, said deed of trust, mortgages of chattels and note to be in the same form, or substantially in the same form, as those filed in this proceeding.

2. 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 D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, W. W. Adams, Jr., Elizabeth Adams McClure and Margaret Adams Dallam, doing business as Adams, Schwab & Adams Warehouse Company, have withdrawn or canceled and that D. S. Adams, D. Q. Adams, W. W. Adams, W. W. Adams, Jr., W. O. Adams, Elizabeth Adams McClure, Margaret Adams Dallam, Nancy Adams Bloom and Elizabeth Adams Peabody, doing business as Adams, Schwab & Adams Warehouse Company, concurrently have adopted or established as their 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. Adams, Schwab & Adams Warehouse Company, the new partnership, 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.

4. The authority herein granted will become effective upon payment of the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$235. If not exercised, such authority will expire December 31, 1961.

Dated at San Francisco, California,
this 10th day of OCTOBER, 1961.

Garrett H. Rye
President

E. L. Fox

George G. Trover

Fredrick B. Halbach

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

