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Decision No. \_\_\_\_\_

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of WILBUR O. WHITE and THELMA B. WHITE, husband and wife (dba under fictitious firm name and style of SACRAMENTO VALLEY MILLING COMPANY) for authorization to sell and transfer and of SACRAMENTO VALLEY MILLING COMPANY, a Corporation, to purchase and acquire a prescriptive right for operation as a public warehouse in Colusa and Glenn Counties, California.

Application No. 46067  
Filed December 30, 1963

In the Matter of the Application of SACRAMENTO VALLEY MILLING COMPANY, a Corporation, for a Permit to Issue and Sell its Securities.

O P I N I O N

This is an application for an order of the Commission (1) authorizing Wilbur O. White and Thelma B. White, husband and wife, doing business as Sacramento Valley Milling Company, to sell and transfer a warehouse operative right and related assets to Sacramento Valley Milling Company, a corporation, and (2) authorizing Sacramento Valley Milling Company, a corporation, in acquiring said right and related assets, to assume outstanding indebtedness, and to issue \$5,000 par value of its Class A voting capital stock and \$104,300 par value of its Class B nonvoting capital stock.

On August 9, 1960, in Case No. 6793, the Commission determined that Wilbur O. White, doing business as Sacramento Valley Milling Co., possessed a prescriptive operative right as a public utility warehouseman for the operation of 15,000 square feet of storage or warehouse floor space at Ordbend and 15,000 square feet of such space at Williams, all exclusive of the 50,000 square feet of expansion permissible under Section 1051 of the Public Utilities Code.

For the fiscal year ended June 30, 1963, the gross revenues and net income from operations under the name of Sacramento Valley Milling Company are reported at \$363,333.50 and \$19,321.49, respectively. The reported assets, liabilities and capital stock at September 1, 1963, are summarized from Exhibit L attached to the application, as follows:

<u>Assets</u>		
Current assets		\$167,210.55
Fixed assets - depreciated -		
Ordbend plant -		
Machinery and equipment	\$52,935.02	
Office equipment	1,466.18	
Automotive equipment	34,005.90	
Total - Ordbend plant		88,407.10
Williams plant -		
Machinery and equipment	\$19,116.63	
Office equipment	996.54	
Automotive equipment	6,399.35	
Total - Williams plant		<u>26,512.52</u>
Total		<u>\$282,130.17</u>
<u>Liabilities and Capital</u>		
Current liabilities		\$160,974.92
Long-term liabilities		9,627.94
Capital		<u>111,527.31</u>
Total		<u>\$282,130.17</u>

The application shows that Wilbur O. White and Thelma B. White are the sole owners of the business known as Sacramento Valley Milling Company, which engages primarily in farming and seed processing activities and, to some extent, in warehousing. They desire the operations to be conducted by a corporate form of organization and for such purpose they recently caused the formation of Sacramento Valley Milling Company, a corporation. In acquiring the assets represented by the foregoing balance sheet, the corporate applicant proposes to issue to said individuals 5,000 shares of its Class A voting stock and 104,300 shares of its Class B nonvoting stock, all having a par value of \$1 per share. Applicants report that the purpose of the two classes of stock is to enable said individuals, probably on an annual gift program, to give voting shares to those of their children who become actively engaged in the operation of the business, and to give nonvoting shares to those of their children who will not be active in the business, thus enabling those actively engaged in the business to control its policies.

Wilbur O. White and Thelma B. White propose to lease for a term of twenty years to Sacramento Valley Milling Company, a corporation, the real property where the public utility warehouse operations are conducted. Upon transferring the operative right and related personal property to said corporation, the lease may be consummated without authorization by this Commission. If Sacramento Valley Milling Company, a corporation,

acquires said public utility warehouseman operative right, it will be required to have the amount of space set forth in said right available for storage by the public until such time as it may subsequently dispose of such right upon proper authorization.

The Commission has considered this application and finds that: (1) the proposed transfer will not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The authorization herein given is not to be construed as a finding of value of the operative right and properties herein authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before March 31, 1964, Wilbur O. White and Thelma B. White, as their interests may appear, may sell and transfer, and Sacramento Valley Milling Company, a corporation, may purchase and acquire, the warehouse operative right and properties referred to in the application. For accounting and bookkeeping purposes, applicants may consummate the transfer as of September 1, 1963.

2. Sacramento Valley Milling Company, a corporation, may assume the outstanding liabilities referred to in this proceeding and may issue and sell, at par, not to exceed 5,000 shares of its Class A stock and not to exceed 104,300 shares of its Class B stock, in part payment for said operative right and properties.

3. Within thirty days after the consummation of the transfer herein authorized, Sacramento Valley Milling Company, a corporation, shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

4. Sacramento Valley Milling Company, a corporation, 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. Sacramento Valley Milling Company, a corporation, shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the warehouse operations herein to show that it has adopted or established, as its own, said rates, rules and regulations. The tariff filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 61-A.

6. On or before the end of the third month after the consummation of the transfer as herein authorized, Sacramento Valley Milling Company, a corporation, shall cause to be filed with the Commission, in such form as it may prescribe, an annual report, or reports, covering the period commencing with the first day of the current year to and including the effective date of the transfer.

7. Concurrent with the consummation of the transfer authorized by Ordering Paragraph 1 hereof, the prescriptive warehouse operative right set forth in the order dated August 9, 1960, in Case No. 6793, is hereby revoked and, in place and stead thereof, a prescriptive operative right as a public

utility warehouseman is hereby stated for Sacramento Valley Milling Company, a corporation, as more particularly set forth in Appendix A attached hereto.

8. In providing service pursuant to the operative right set forth herein, Sacramento Valley Milling Company, a corporation, shall comply with and observe the following service regulation:

Within thirty days after the effective date hereof, it shall file a written acceptance of the operative right herein stated. By accepting such operative right, it is placed on notice that it will be required, among other things, to file annual reports of its operations. Failure to file such reports, in such form and at such time as the Commission may direct, may result in a cancellation of the operative right set forth in Appendix A hereof.

9. The warehouse real property to be withheld from transfer shall not be relieved of its devotion to the public use and its status as public utility operative property shall continue as though no transfer of operative right had taken place, anything in any lease or any contract or agreement to the contrary notwithstanding.

10. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 21<sup>st</sup> day of JANUARY, 1964.

Hallam B. Dewald  
President  
George H. Hoover  
Fredrick B. Holcomb  
Commissioners

Appendix A

SACRAMENTO VALLEY MILLING COMPANY  
(a corporation)

Sacramento Valley Milling Company, a corporation, possesses a prescriptive operative right as a public utility warehouseman for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
Ordbend	15,000
Williams	15,000

(The floor space shown above is exclusive of the 50,000 square feet of expansion permissible under Section 1051 of the Public Utilities Code.)

End of Appendix A

Issued by California Public Utilities Commission.

Decision No. 68611, Application No. 46067.