

**ORIGINAL**

Decision No. 69259

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of

WEST COAST CHECKERBOARD  
ELEVATOR COMPANY, a  
California corporation,  
and MONTANA ELEVATOR  
COMPANY, a California  
corporation,

Application No. 47616  
Filed May 26, 1965

to sell and purchase operating  
rights to a public warehouse and  
application of Montana Elevator  
Company to issue stock.

O P I N I O N

This is an application for an order of the Commission authorizing West Coast Checkerboard Elevator Company to sell and transfer its right to operate as a public utility warehouseman in Oakland to Montana Elevator Company, and authorizing the latter to issue and sell \$15,000 par value of its capital stock.

West Coast Checkerboard Elevator Company is a California corporation operating as a public utility warehouseman in Oakland and Stockton, pursuant to operative rights determined by the Commission on August 23, 1960, in Case No. 6885. Said public utility is a wholly-owned subsidiary of Ralston Purina Company, a Missouri corporation.

Montana Elevator Company is a California corporation organized on or about May 18, 1965, and proposes to become a wholly-owned subsidiary of Montana Flour Mills Company, a Montana corporation.

The application shows that on March 24, 1965, Montana Flour Mills Company entered into an agreement with Ralston Purina Company, whereby the former agreed to buy certain properties of the latter located at 2201 East Seventh Street, Oakland, which properties are presently being operated by West Coast Checkerboard Elevator Company as a public utility for the storage of grain, malt and other agricultural commodities.

West Coast Checkerboard Elevator Company proposes, and seeks authority, to sell and transfer its Oakland public utility warehouseman operative right to Montana Elevator Company, the latter intending to conduct the public warehousing activities in essentially the same manner as the former. In addition, Montana Elevator Company proposes to issue and sell \$5,000 par value of its common stock for the purpose of obtaining \$5,000 cash to be used as working capital in conjunction with its proposed operations as a public utility warehouseman. Although the application contains a request for Montana Elevator Company to issue and sell \$15,000 par value of its capital stock, the corporation now desires to withdraw that portion of said request pertaining to \$10,000 par value thereof.

The Commission has considered this matter and finds that: (1) the proposed sale and 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 \$5,000 par value of capital stock is reasonably required for the purpose specified herein; (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) good cause appears for dismissing the portion of the application pertaining to the proposed issue of an additional \$10,000 par value of capital stock. On the basis of these findings we conclude that the application should be (a) dismissed, insofar as it relates to the issue and sale of capital stock in excess of \$5,000 par value, and (b) granted in all other respects. A public hearing is not necessary.

The action taken herein shall not be construed as a finding of the value of the operative right herein authorized to be transferred nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. On or before September 30, 1965, West Coast Checkerboard Elevator Company may sell and transfer, and Montana Elevator Company may purchase and acquire, the operative right referred to in the application.

2. Montana Elevator Company, on or before September 30, 1965, may issue and sell, at par for cash, not to exceed \$5,000 par value of its capital stock, and shall use the proceeds for working capital.

3. Montana Elevator Company shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

4. Within thirty days after the consummation of the transfer herein authorized, Montana Elevator Company 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.

5. Montana Elevator Company shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations herein to show that it has adopted or established, as its own, said rates and rules. The tariff filings shall be made effective not earlier than five days after the date of this order on not less than five 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. Concurrently with the effective date of tariff filings for warehouse operations required by Ordering Paragraph No. 5 hereof, the operative rights as a public utility warehouseman set forth in the Order dated August 23, 1960, in Case No. 6885, are hereby revoked and, in place and stead thereof, operative rights as public utility warehousemen are hereby stated for West Coast Checkerboard Elevator Company and Montana Elevator Company as more particularly set forth in Appendix A and Appendix B, attached hereto.

7. In providing service pursuant to the warehouseman operative authority set forth herein, Montana Elevator Company shall comply with and observe the following service regulation:

Within thirty days after the 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 said 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 B hereof.

8. This application, insofar as it relates to the issue and sale of \$10,000 par value of capital stock in addition to the \$5,000 par value herein authorized, is hereby dismissed.

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

Dated at San Francisco, California, this 22<sup>nd</sup> day of JUNE, 1965.

Frederick B. Hallock  
President  
John E. [unclear]  
George L. [unclear]  
[unclear]  
William V. [unclear]  
Commissioners

Appendix A WEST COAST CHECKERBOARD ELEVATOR COMPANY  
(a corporation)

West Coast Checkerboard Elevator Company, a corporation,  
possesses an operative right as a public utility warehouseman for  
the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Area or Capacity</u>
Stockton	180,000 bushels bulk storage capacity.

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

(End of Appendix A)

Issued by California Public Utilities Commission.

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Montana Elevator Company, a corporation, possesses an operative right as a public utility warehouseman for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Area or Capacity</u>
Oakland	1,250,000 bushels storage capacity.

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

(End of Appendix B)

Issued by California Public Utilities Commission.

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