

**ORIGINAL**

Decision No. 70442

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 RIVERSIDE ELEVATORS, a corporation, )  
 for authority to transfer prescrip- )  
 tive operative rights to Sacramento )  
 Delta Elevators, and to transfer )  
 public utility properties to )  
 Rivelco, Inc., and the application )  
 of SACRAMENTO DELTA ELEVATORS, a )  
 corporation, to issue stock. )

Application No. 48230  
 Filed February 4, 1966  
 and Amendment  
 Filed February 18, 1966

O P I N I O N

This is an application for an order of the Commission  
 (1) authorizing Riverside Elevators to transfer (a) its prescriptive  
 operative rights as a public utility warehouseman to Sacramento  
 Delta Elevators, and (b) all of its public utility warehouseman  
 properties, except its prescriptive operative rights, to Rivelco,  
 Inc.; and (2) authorizing Sacramento Delta Elevators to issue and  
 sell 250 shares of its \$100 par value common stock, at par to  
 provide \$25,000 working capital.

Riverside Elevators is a California corporation operating  
 as a public utility warehouseman on Ryer Island and in the vicinity  
 of Isleton pursuant to the prescriptive operative rights stated  
 in Decision No. 69260, dated June 22, 1965, in Application  
 No. 47625. In addition, the corporation conducts business as a  
 grain dealer and broker.

Rivelco, Inc., a California corporation organized on  
 or about May 21, 1965, proposes to acquire all the outstanding  
 capital stock of Riverside Elevators. Following said stock

acquisition, Rivelco, Inc. would cause Riverside Elevators to be dissolved, whereupon the former would acquire all the assets and assume all the liabilities of the latter except said prescriptive operative rights.

Sacramento Delta Elevators is a California corporation organized on or about October 20, 1965. It proposes to engage in business involving the bulk storage and handling of grain and other commodities, and such other business as may be directly or indirectly related thereto. Said activities would be conducted in premises which Rivelco, Inc. would lease to Sacramento Delta Elevators pursuant to a ten-year lease containing an option to renew for an additional period of ten years. Sacramento Delta Elevators would become a public utility warehouseman in place of Riverside Elevators by virtue of acquiring the previously mentioned prescriptive operative rights which it would acquire for no monetary consideration. For the purpose of obtaining \$25,000 working capital Sacramento Delta Elevators proposes to issue and sell \$25,000 aggregate par value of its common stock to Rivelco, Inc.

The application shows that a large majority of the shareholders of Riverside Elevators desire to dispose of their holdings for the reason, among others, that most of them are not engaged in any agricultural activities. On the other hand, applicants indicate that a large majority of the proposed shareholders of Rivelco, Inc. are relatively young men engaged in farming and agricultural pursuits in the area encompassed by said prescriptive operative rights. According to the application, it is contemplated that the new group of shareholders of Rivelco, Inc. will assist

materially in increasing the volume of business and that, in general, the public utility warehouseman business now conducted by Riverside Elevators will benefit by the change in ownership. Moreover, Rivelco, Inc. would assume all of the long-term indebtedness of Riverside Elevators, and Sacramento Delta Elevators would have no long-term debt.

The Commission has considered this matter and finds that:

(1) the proposed transfers 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 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. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

The action taken herein is not to be construed as a finding of the value of the prescriptive operative rights 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 June 30, 1966, Riverside Elevators may transfer, and Sacramento Delta Elevators may acquire, the prescriptive operative rights referred to in the application.

2. On or before June 30, 1966, Riverside Elevators may transfer to Rivelco, Inc. all of its public utility warehouseman properties except the aforesaid prescriptive operative rights.

3. Sacramento Delta Elevators, on or before June 30, 1966, for the purpose of obtaining working capital, may issue and sell 250 shares of its \$100 par value common capital stock at par.

4. Sacramento Delta Elevators 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.

5. Within thirty days after the consummation of the transfer of operative rights as herein authorized, Sacramento Delta Elevators shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bills of sale or other instruments of transfer which may be executed to effect said transfer.

6. Sacramento Delta Elevators 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 ten days after the 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 of operative rights 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.

7. Concurrently with the effective date of tariff filings for warehouse operations required by Ordering Paragraph 6 hereof, the prescriptive operative rights as a public utility warehouseman set forth in Decision No. 69260, dated June 22, 1965, are hereby revoked and, in place and stead thereof, prescriptive operative rights as a public utility warehouseman are hereby stated for Sacramento Delta Elevators, as more particularly set forth in Appendix A attached hereto.

8. On or before the end of the third month after the consummation of the transfer of operative rights as herein authorized, Sacramento Delta Elevators shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the warehouse operations of the transferor for the period commencing with the first day of the current fiscal year to and including the effective date of the transfer.

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

Dated at San Francisco, California, this 15<sup>th</sup> day of MARCH, 1966.

Fredrick B. Halbach  
President

George A. Trover

Commissioners

Appendix A

SACRAMENTO DELTA ELEVATORS  
(a corporation)

Sacramento Delta Elevators, a corporation, possesses prescriptive operative rights as a public utility warehouseman for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>No. of Square Feet of Floor Space</u>
Isleton and vicinity	47,200
Ryer Island (Solano County)	42,912

(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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