

ORIGINAL

Decision No. 70518

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
)
 -of-)
)
 G. S. BOBB, AARON F. BOBB, and)
 C. R. CHRISTENSEN, doing business)
 as UNION STORAGE COMPANY,)
)
 and)
)
 DAVID S. ADAMS, NANCY LUISE BLOOM,)
 WILLIAM OSBORN ADAMS and ELIZABETH)
 ANNE PEABODY, doing business as)
 ADAMS WAREHOUSE COMPANY,)
)
 for an order authorizing the sale)
 and purchase of the UNION STORAGE)
 COMPANY, the assets and operating)
 rights thereof, and the execution)
 of a note and deed of trust for)
 the balance of the purchase price)
 therefor)

Application No. 48305
Filed March 15, 1966

O P I N I O N

This is an application for an order of the Commission authorizing G. S. Bobb, Aaron F. Bobb and C. R. Christensen, copartners doing business as Union Storage Company, to sell, assign, transfer and convey their public utility warehouseman operative right and related business and assets to David S. Adams, Nancy Luise Bloom, William Osborn Adams and Elizabeth Anne Peabody, a copartnership doing business as Adams Warehouse Company, and authorizing the latter to execute and deliver a deed of trust and to issue and deliver three promissory notes in the aggregate principal amount of \$82,500.

G. S. Bobb, Aaron F. Bobb and C. R. Christensen, copartners doing business as Union Storage Company, operate as a public utility warehouseman at Woodland and vicinity, Yolo County, in accordance with a prescriptive operative right for the operation of 29,250 square feet of storage or warehouse floor space, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code. The Commission determined said right by an order dated August 1, 1960, in Case No. 6742, as modified by Decision No. 65303, dated May 1, 1963, in Application No. 45106.

David S. Adams, Nancy Luise Bloom, William Osborn Adams and Elizabeth Anne Peabody have organized a copartnership known as Adams Warehouse Company for the purpose of acquiring the assets and operative right of the copartnership doing business as Union Storage Company. The agreed purchase price is \$110,000, which applicants indicate is not more than the aggregate fair market value of the assets involved in the transfer with no value being assigned to the operative right.

Of said \$110,000 purchase price, \$27,500 will be paid in cash at the time of purchase, and the balance of \$82,500 will be represented and evidenced by three separate installment notes, two of which will be in the principal amount of \$20,625 of which one will be repayable in three annual installments of \$6,875 and the other in five annual installments of \$4,125, and the third note will be in the principal amount of \$41,250 repayable in five annual installments of \$8,250. Each of the three notes will bear interest

payable annually at the rate of 6% per annum on unpaid principal. Said three notes will be secured by a deed of trust.

The application shows that the combined net worth as of March 4, 1966, for the four transferees amounts to \$722,284.84, and that each is prepared to resort to personal assets in order to meet the required annual payments of principal and interest applicable to the balance of said purchase price.

The Commission has considered this matter and finds that: (1) the proposed sale, transfer and deed of trust 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 notes 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 shall not be construed as a finding of the value of the prescriptive operative right or other assets 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 after the effective date hereof and on or before July 31, 1966, G. S. Bobb, Aaron F. Bobb and C. R. Christensen, copartners doing business as Union Storage Company,

may sell, assign, transfer and convey their public utility warehouseman operative right and related business and assets to David S. Adams, Nancy Luise Bloom, William Osborn Adams and Elizabeth Anne Peabody, a copartnership doing business as Adams Warehouse Company.

2. David S. Adams, Nancy Luise Bloom, William Osborn Adams and Elizabeth Anne Peabody, on or after the effective date hereof and on or before July 31, 1966, may execute and deliver a deed of trust and issue and deliver notes in the aggregate principal amount of not to exceed \$82,500 for the purpose specified in this proceeding, which documents shall be in the same form, or in substantially the same form, as those attached to the application.

3. David S. Adams, Nancy Luise Bloom, William Osborn Adams and Elizabeth Anne Peabody 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, the transferees 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. David S. Adams, Nancy Luise Bloom, William Osborn Adams and Elizabeth Anne Peabody, copartners doing business as Adams Warehouse Company, shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations herein to show that they have adopted or established, as their own, said rates and rules. 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. Concurrently with the effective date of tariff filings for warehouse operations required by Ordering Paragraph No. 5 hereof, the prescriptive operative right as a public utility warehouseman determined by an order dated August 1, 1960, in Case No. 6742, as modified by Decision No. 65303, dated May 1, 1963, in Application No. 45106, is hereby revoked and, in place and stead thereof, a prescriptive operative right as a public utility warehouseman is hereby stated for David S. Adams, Nancy Luise Bloom, William Osborn Adams and Elizabeth Anne Peabody, a copartnership doing business as Adams Warehouse Company, as more particularly set forth in Appendix A attached hereto.

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

8. This order shall become effective when the transferees have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$83.

Dated at San Francisco, California, this 5th day of APRIL, 1966.

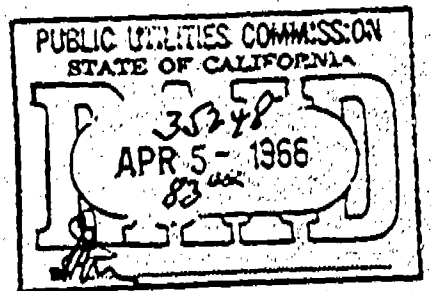
Fredrick B. Hobbhoff
President

George T. Brewer

Augustus

William L. Brewer
Commissioners

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



Appendix A

ADAMS WAREHOUSE COMPANY
(a copartnership)

David S. Adams, Nancy Luise Bloom, William Osborn
Adams and Elizabeth Anne Peabody, a copartnership doing business
as Adams Warehouse Company, possess 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>
Woodland and vicinity (Yolo County)	29,250

(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.

Decision No. 70518, Application No. 48305.