

ORIGINAL

Decision No. 71015

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
))
NATIONAL ICE AND COLD STORAGE)
COMPANY OF CALIFORNIA, a)
corporation, for Authorization)
to Sell and Transfer Public)
Utility Warehouse Operative)
Rights and Properties at)
Watsonville, California; of)
WATSONVILLE COLD STORAGE)
COMPANY, INC., a corporation,)
to Acquire said Operative Rights)
and certain of said Properties)
and to Issue Stock; and of)
UNITED FOODS, INC. to Acquire)
certain of said properties.)

Application No. 48568
Filed June 20, 1966

O P I N I O N

In this application National Ice and Cold Storage Company of California requests authorization from the Commission (1) to transfer a prescriptive operative right as a public utility warehouseman, together with related personal property, to Watsonville Cold Storage Company, Inc., and (2) to transfer real properties used in its Watsonville operations to United Foods, Inc. In addition, Watsonville Cold Storage Company, Inc. seeks authority to issue and sell 5,000 shares of its \$10 par value capital stock.

National Ice and Cold Storage Company of California, a California corporation, operates public utility cold storage warehouses at various locations in this State, including Watsonville. Its public utility business at Watsonville is conducted pursuant to a prescriptive operative right stated in Decision No. 70301, dated February 1, 1966, in Application No. 48091. Among other things, said right authorizes the operation of 82,586 square feet of floor space at Watsonville and vicinity, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.

The present application shows that National Ice and Cold Storage Company of California has agreed to sell and transfer its Watsonville operative right, together with related personal property, to Watsonville Cold Storage Company, Inc. for a total cash consideration of \$20,001, including \$1 for the operative right. In addition, National Ice and Cold Storage Company of California proposes to sell and transfer the real properties used in its warehouse operations at Watsonville to United Foods, Inc., a Texas corporation, for an agreed price of \$530,000. The real properties to be acquired by United Foods, Inc. will be utilized in the business of Watsonville Cold Storage Company, Inc. under a long-term lease.

Watsonville Cold Storage Company, Inc., a California corporation organized on or about March 31, 1966, seeks authority to issue 5,000 shares of its \$10 par value capital stock, at par, to United Foods, Inc. for \$50,000 cash, which will be used to acquire said personal property at the agreed price of \$20,000 and to provide \$30,000 for working capital. Exhibit A, attached to the application, shows a December 31, 1965 net book value of \$24,716 for the personal property.

The Commission has considered this matter and finds that: (1) the proposed sales and 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 purposes specified herein; and (3) such purposes are 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 and 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 before October 31, 1966, National Ice and Cold Storage Company of California may sell and transfer, and Watsonville Cold Storage Company, Inc. may purchase and acquire, the prescriptive operative right and related personal property referred to in the application.

2. On or before October 31, 1966, National Ice and Cold Storage Company of California may sell and transfer, and United Foods, Inc. may purchase and acquire, the real properties at Watsonville described in the application.

3. For accounting purposes the transfers herein authorized may be made effective as of March 1, 1966.

4. Watsonville Cold Storage Company, Inc., on or before October 31, 1966, for the purposes specified in this proceeding, may issue and sell, at par, for cash, not to exceed 5,000 shares of its \$10 par value capital stock.

5. Watsonville Cold Storage Company, Inc. 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.

6. Within thirty days after the consummation of the transfer herein authorized, Watsonville Cold Storage Company, Inc. 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.

7. Watsonville Cold Storage Company, Inc. 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 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.

8. Concurrently with the effective date of tariff filings for warehouse operations required by Ordering Paragraph No. 7 hereof, the prescriptive operative right as a public utility warehouseman set forth in Decision No. 70301, dated February 1, 1966, is hereby revoked and, in place and stead thereof, prescriptive operative rights as public utility warehousemen are hereby stated for Watsonville Cold Storage Company, Inc. and for National Ice and Cold Storage Company of California as more particularly set forth in Appendix A and Appendix B, attached hereto.

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

Dated at San Francisco, California,
this 26th day of JULY, 1966.

Robert E. Mitchell
President
George E. Thomas
Fredrick B. Holshoff
Augusta
J. J. ...
Commissioners

Watsonville Cold Storage Company, Inc. 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>No. of Square Feet of Floor Space</u>
Watsonville and vicinity	82,586

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

(End of Appendix A)

National Ice and Cold Storage Company of California 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>No. of Square Feet of Floor Space</u>
Petaluma	38,114
Marysville	8,834

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

(End of Appendix B)