

ORIGINAL

Decision No. 73517

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of	)	
LOS ANGELES COLD STORAGE COMPANY	)	Application No. 49831
	)	Filed December 1, 1967
for an order authorizing the	)	
transfer of certain public cold	)	
storage warehouse property.	)	

O P I N I O N

This is an application for an order of the Commission authorizing Los Angeles Cold Storage Company to transfer to California Consumers Corporation all of its land and buildings and certain machinery and equipment.

Los Angeles Cold Storage Company is a California corporation operating under the jurisdiction of this Commission as a cold storage warehouseman in Los Angeles County. All of its outstanding stock is owned by California Consumers Corporation.

The application shows that title to land and buildings at the warehouse locations is vested in applicant in some instances and in applicant's parent corporation in other instances. The utility asserts that the pattern of ownership no longer reflects the division of functions between the two corporations, and that it is detrimental to the sound organization and operation of the utility as a public warehouseman.

Applicant proposes to transfer all of its land and buildings and certain of its machinery and equipment to California Consumers Corporation. Thereafter, the parent corporation would lease to applicant the portions of the land, buildings and fixtures now being used in the utility's public warehousing business. According to the application, the proposed transactions will neither impair service to the public, nor result in any reduction or change in the space available for public cold storage warehouse operations. Moreover, the application shows that the lease terms will not impose a greater financial burden on the utility than the expense of ownership of the property.

The company proposes to transfer said assets to California Consumers Corporation, its sole stockholder, as a dividend in kind to avoid adverse federal income tax consequences to both parties. Said assets will be transferred at their book value, which was \$102,275.29 at October 31, 1967.

The Commission has considered this matter and finds that the transactions proposed in this proceeding will not be adverse to the public interest. On the basis of this finding we conclude that the application should be granted. A public hearing is not necessary.

The authorization herein given is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

ORDER

IT IS ORDERED that Los Angeles Cold Storage Company  
may transfer to California Consumers Corporation as a dividend  
in kind the property described in this proceeding.

The effective date of this order is the date hereof.

Dated at San Francisco, California,  
this 19<sup>th</sup> day of DECEMBER, 1967.

[Signature]  
President

[Signature]

Los Angeles

[Signature]

[Signature]  
Commissioners