

ORIGINALDecision No. 74291

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application
 of JOHN F. GRISEZ, a sole proprietor-
 ship, and the GRISEZ WAREHOUSE CO., INC.,
 a California corporation, for an order
 authorizing JOHN F. GRISEZ to sell and
 the GRISEZ WAREHOUSE CO., INC., to
 purchase a food warehouse and to engage
 in the public utility food warehouse
 business now being conducted by JOHN F.
 GRISEZ, and for a permit for the GRISEZ
 WAREHOUSE CO., INC., to issue stock.

Application No. 50172
 (Filed April 16, 1968)

O P I N I O N

John F. Grisez, a sole proprietorship, requests authority to sell and transfer, and Grisez Warehouse Co., Inc., requests authority to purchase and acquire the former's operating authority as a public utility food warehouseman, and for a permit to issue 480 shares of its \$100 par value common stock.

The operating authority is prescriptive in nature and was described by Commission decision dated August 9, 1960, in Case No. 6785. Said right authorizes public utility warehouse operations in 90,680 square feet at Crow's Landing, Stanislaus County, California.

The agreed purchase price is \$475,000, payable in ten annual installments at 4 percent annual interest. A deed to the subject real property will be executed and delivered to the buyer after five of the annual payments are made. Applicant buyer is purchasing all the assets of the existing warehouse operation, which services approximately 300 agricultural customers. The purchase agreement is between applicant seller and Klein Brothers, Inc., a

corporation. It provides for the warehouse operation to be assigned to the applicant buyer, and that the buyer shall assume the obligation of the purchase agreement between applicant seller and Klein Brothers, Inc., upon issuance by the Commission of the authority requested herein. However, Klein Brothers, Inc. will also remain liable for the amount of the purchase price as a guarantor.

Applicant buyer was incorporated on August 28, 1967, and is not currently doing business, and does not have a financial statement. Its authorized capitalization is \$100,000 and is represented by 1,000 shares of \$100 par value capital stock of one class. The initial issue requested herein will consist of 480 shares for cash, 160 shares to each of the three directors, who are also the directors of Klein Brothers, Inc. The total assets of Klein Brothers, Inc., as of June 30, 1967 are stated to be \$2,564,034.91 and the net profits for the same year were \$151,256.78. The application was listed on the Commission's Daily Calendar of April 17, 1968. No objection to the granting of the application has been received.

After consideration the Commission finds that:

1. The transfer of the operating authority, including the right to engage in public utility warehouse operations in 90,680 square feet at Crow's Landing, and the properties and related assets would 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 and indebtedness herein authorized is reasonably required for the purposes specified herein, and such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

3. The "Contract for Purchase and Sale" (Exhibit B) between John F. Grisez, Seller, and Klein Brothers, Inc., Buyer, dated March 25, 1968 binding the parties and Grisez Warehouse Co., Inc., a new California corporation, to the terms of the sale proposed herein is approved, and said sale is approved subject to each and every agreement therein:

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

The authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before November 1, 1968, John F. Grisez may sell and transfer, and Grisez Warehouse Co., Inc., may purchase and acquire, the public utility warehouse properties, operative rights and related assets referred to in the application, subject to the Exhibit B contract.

2. Grisez Warehouse Co., Inc., in acquiring said rights and assets, may assume the related liabilities, including the encumbrance of public utility property with a deed of trust, and issue not exceeding 480 shares of \$100 par value common stock.

3. Within thirty days after the consummation of the transfer herein authorized, Grisez Warehouse Co., Inc. shall notify the Commission, in writing, of that fact, and that it has assumed the obligations under the purchase agreement between Klein Brothers, Inc., and seller as described in the application.

4. Grisez Warehouse Co., Inc. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is made a part of this order.

5. Grisez Warehouse Co., 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 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. Failure to comply with and observe the provisions of General Order No. 61-A may result in a cancellation of the operating authority granted by this decision.

6. On or before the end of the third month after the consummation of the transfer as herein authorized, Grisez Warehouse Co., Inc. 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 seller for the period commencing with the first day of the current fiscal year to and including the effective date of the transfer.

7. Concurrently with the tariff filings required by ordering paragraph 5 hereof, the operating authority described by Commission order dated August 9, 1960 in Case No. 6785 is hereby revoked and in its place and stead a certificate of public convenience and necessity is granted to Grisez Warehouse Co., Inc., authorizing operations as a public utility warehouseman, as defined in Section 239(b) of the Public Utilities Code, for the operation of storage or warehouse floor space as set forth in Appendix A attached hereto and made a part hereof.

8. The authority herein granted to issue a note will become effective when Grisez Warehouse Co., Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$48. In other respects the effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 25th
day of JUNE, 1968

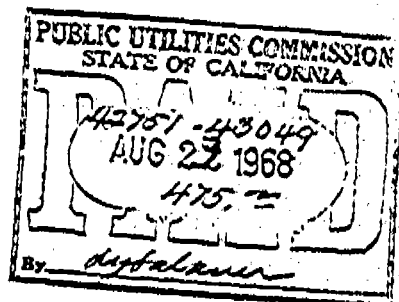
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Commissioners



Grisez Warehouse Co., Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to operate 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>
Crows Landing	90,680

(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. 74291, Application No. 50172.