

Decision No. 81486

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
RIZ WAREHOUSE COMPANY, INCORPORATED,
a California corporation, for an
order authorizing it to sell, transfer,
assign and convey certain of its
operating properties and to cease
operating as a public utility.

Application No. 53924
(Filed March 27, 1973)

O P I N I O N

Riz Warehouse Company, Incorporated requests authority to sell, transfer, and convey to the Rice Growers Association of California property used by applicant in the drying and storage business and to cease operating as a public utility warehouseman.

Applicant has been engaged in the commercial drying, storage, and seed handling activities for various rice growers in the Glenn County area since its inception, and as of the date hereof has existing storage facilities to warehouse approximately 200,000 hundredweight of rice.

Over the past several years there has been a large increase in the membership of the Farmers Rice Growers Cooperative and of the Association, and at the present time members of those organizations constitute the principal storage customers of applicant. In fact all of the 1972 rice crop dried and stored with applicant was by persons who are members of the Farmers Rice Growers Cooperative or of the Rice Growers Association of California.

Due to the increase of independently owned, private drying and storage facilities, as well as due to the construction and operation of additional public and cooperative drying facilities, the volume of rice dried for storage by the applicant has steadily declined over the past five years.

The public convenience and necessity will continue to be served, and will in no way be jeopardized by the proposed sale and transfer, in that there are cooperative public utility dryers functioning within a short distance of the applicant's business, which are available for the drying and storage of rice produced in the surrounding area. The Willows Rice Dryer and Storage Company is located 4 miles north of the applicant on Highway 99W in the city of Willows, and the Baker Bros. Rice and Storage Company is situated approximately 10 miles north of the applicant on Highway 99W in the town of Artois, California.

Substantially all of the growers whose rice is presently stored at applicant's plant are members of either the Association or the Farmers Rice Growers Cooperative. The latter organization has acquired a large drying and storage facility in Colusa County, south of the town of Princeton. The Association has acquired drying and storage facilities adjacent to applicant's plant, but due to increasing membership and participating in the Association by rice growers in the Glenn County area the Association is in need of additional facilities to provide the necessary drying, storage, and seed handling for its members, and prevent the necessity for some of its members to ship rice to Association facilities in Biggs or Sacramento.

The foregoing may be accomplished by the Association either building a new and additional drying and storage plant, or by the purchase of an existing facility. In the event the Association builds an additional facility, the amount of rice dried and/or stored by the applicant, as well as by other drying and storage facilities in the area, would be materially reduced as many of the applicant's customers are members of the Association and presumptively would place their storage with any warehouse or facility constructed by the Association. The Association therefore desires to acquire the applicant's facilities to provide this service to its members.

The applicant wishes to complete this sale due to the fact that the number of privately owned dryers and storage facilities continues to increase so that the applicant can anticipate continued decreasing drying and storage requirements in the foreseeable future, with the attendant loss in market value of the applicant's existing plant and facilities. There were no protests.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest, that with reasonable certainty it will not have a significant effect on the environment, and concludes that it should be authorized. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is completed, the revocation of the operative rights presently held by Riz Warehouse Company, Incorporated.

O R D E R

IT IS ORDERED that:

1. On or before August 31, 1973 Riz Warehouse Company, Incorporated may sell and transfer, and Rice Growers Association of California may purchase and acquire, the property referred to in the application.
2. On the effective date of the tariff requirements set forth in Ordering Paragraph 3 the operating authority and the duty to serve of Riz Warehouse Company, Incorporated as determined by Decision No. 63936 is revoked.
3. Within sixty days after the date hereof, on not less than five days' notice to the Commission and to the public, applicant shall cancel its tariffs presently on file with the Commission to reflect the authority herein granted.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 19th day of JUNE, 1973.

Vernon L. Sturgeon
President
William Lyons Jr.
[Signature]
[Signature]
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.