

ORIGINALDecision No. ~~83091~~

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of PHILLIP R. COLLINS and GEORGE
T. STORY, partners doing business
as COLLINS & STORY, for author-
ization to transfer, and of
PACIFIC INTERNATIONAL RICE MILLS,
INC., a corporation, to acquire,
public utility warehouse prop-
erties at Robbins, California
and of PACIFIC INTERNATIONAL RICE
MILLS, INC., for authorization to
encumber public utility property.

Application No. 54911
(Filed May 29, 1974)

O P I N I O N

Applicants Phillip R. Collins and George T. Story, partners doing business as Collins & Story (transferors), seek authority to transfer certain public utility warehouse operating authority and warehouse properties used by them in their public utility warehouse operations at Robbins, California, to applicant Pacific International Rice Mills, Inc. (transferee), which also seeks authority to issue a deed of trust securing a promissory note in the amount of \$500,000 as a part of the purchase price of said properties.

Transferors are engaged in the business of a public utility warehouseman in the storage and handling of rice and grain at Robbins, California. They operate 32,000 square feet of warehouse space under a prescriptive right confirmed to them by the Commission's Order Instituting Investigation and Determining Warehouse Operative Rights dated August 1, 1960 in Case No. 6731. Transferors' balance sheet as of June 30, 1973 and profit and loss statement for the twelve-month period ending June 30, 1973 are attached to the application as Exhibit A.

Transferee, a California corporation, is engaged in the business of a public utility warehouseman in the storage and handling of agricultural commodities at Woodland, California, under authority transferred to it pursuant to Decision No. 59238 dated November 10, 1959 in Application No. 41595. Transferee's balance sheet as of June 30, 1973 and profit and loss statement for the twelve-month period ending June 30, 1973 are attached to the application as Exhibit B.

The properties proposed to be transferred are described in Exhibits C and D attached to the application. The book cost of said properties as of June 30, 1973 is shown on Exhibit A attached to the application. The purchase price of the properties is \$550,000. of which \$50,000 is payable upon consummation of the transfer and \$500,000 as a promissory note to be issued by Pacific International Foods Co., a California corporation, the owner of the stock of transferee. Payment of the \$500,000 balance of the purchase price is to be secured by a deed of trust to be issued by transferee substantially in the form of Exhibit C attached to the application.

The officers and other key personnel of transferee have had many years of experience in the operation of public warehouse storing and handling of agricultural commodities. Transferee proposes to use operating personnel presently employed by transferors in the operation of the business to be transferred. Transferee is well qualified to render adequate service to the public in the operation of a public warehouse at Robbins, California.

Transferors presently operate under the rates, rules, and regulations provided in California Warehouse Tariff No. 38, Cal. P.U.C. No. 203, Jack L. Dawson, Agent. Transferee proposes to adopt those rates, rules, and regulations.

A copy of the real estate purchase contract and receipt for deposit dated January 18, 1974, and the amendments thereto, under which applicants have agreed to the proposed transfer, subject to prior authorization of the Commission, is attached to the application as Exhibit E.

After consideration the Commission finds that:

1. The proposed transactions would not be adverse to the public interest.
2. The proposed promissory note and deed of trust would be for proper purposes.
3. The money, property, or labor to be procured or paid for by the promissory note and deed of trust herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.
4. With reasonable certainty the project involved in this proceeding will not have a significant effect on the environment.

On the basis of the foregoing 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 properties to be transferred, nor as indicative of amounts to be included in proceeding for the determination of just and reasonable rates.

The order which follows will provide for, in the event the transfer is completed, the revocation of the prescriptive rights presently held by transferors and the certificate of public convenience and necessity presently held by transferee and the issuance of a certificate in appendix form to transferee.

Transferee is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. On or before September 30, 1974, Phillip R. Collins and George T. Story, partners doing business as Collins & Story, may sell and transfer the operative rights and property referred to in the application to Pacific International Rice Mills, Inc. The transfer may be made effective as of July 1, 1974 for accounting purposes.
2. On or before the effective date hereof and on or before September 30, 1974, transferee may issue a deed of trust to secure a promissory note to be issued by Pacific International Foods Co. in the amount of \$500,000 in the manner and for the purposes set forth in the application.
3. Transferee shall file with the Commission the report 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 transfer, transferee shall file with the Commission written acceptance of the operative rights and a true copy of the bill of sale or other instrument of transfer.

5. Transferee shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations transferred to show that it has adopted or established, as its own, the 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 transfer. 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-Series. Failure to comply with the provisions of General Order No. 61-Series may result in a cancellation of the operating authority granted by this decision.

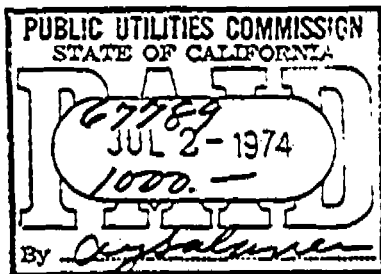
6. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 5, a certificate of public convenience and necessity is granted to Pacific International Rice Mills, Inc., authorizing it to operate as a public utility warehouseman, as defined in Section 239(b) of the Public Utilities Code, for the operation of storage or warehouse floor space set forth in Appendix A, attached hereto and made a part hereof.

7. The certificate of public convenience and necessity granted in paragraph 6 of this order shall supersede the prescriptive rights of the transferors herein considered and the rights transferred to the transferee, pursuant to Decision No. 59238 dated November 10, 1959 in Application No. 41595, all of which are revoked effective concurrently with the tariff filings required by paragraph 5.

8. Transferee shall maintain its accounting records in conformance with any applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission, and each year shall file with the Commission an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

This order shall become effective when transferee has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,000.

Dated at San Francisco, California, this 2nd day of JULY, 1974.



James L. Stevenson
President
William J. Sullivan, Jr.
[Signature]
[Signature]
Commissioners

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

Appendix A PACIFIC INTERNATIONAL RICE MILLS, INC. Original Page 1
(a corporation)

Pacific International Rice Mills, 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 as defined in Section 239(b) of the Public Utilities Code for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
Robbins (Sutter County)	32,000
Woodland (Yolo County)	36,380

(The floor space shown 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. 83091, Application No. 54911.