

Decision No. 40919

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)  
CITY TRANSFER AND STORAGE COMPANY, )  
a corporation, to sell, and JACK P.) Application No. 28812  
MERRICK, to purchase, warehouse )  
operating rights. )

OPINION AND ORDER

City Transfer and Storage Company is a public utility warehouseman operating in the City of Long Beach. By this application it seeks authority to sell its operative rights and Jack P. Merrick seeks authority to purchase them.<sup>1</sup> The consideration involved, \$3,500, is to be paid within ten days of the Commission's approval of the proposed transfer.

The verified application shows that City Transfer desires to concentrate on its general drayage business and that Merrick is willing and able to conduct the warehouse operations. No change in rates or service is proposed and no transfer of warehouse property or equipment is involved. Merrick proposes to carry on the warehouse business with the same space as that now used by City Transfer.

It appears that this is a matter in which a public hearing is not necessary and that the application should be granted. This action is not a determination of the seller's operative rights. It merely permits the purchaser to acquire whatever operative rights are held by the seller.

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City Transfer and Storage Company does not hold a certificate of public convenience and necessity. Its operative authority is based on operations prior to the time a certificate was required before commencement of public storage service.

Jack P. Merrick is hereby 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 they extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be changed or destroyed at any time by the State, which is not in any respect limited to the number of rights which may be given.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that City Transfer and Storage Company may, within sixty (60) days from the effective date hereof, sell and transfer to Jack P. Merrick whatever operative rights City Transfer and Storage Company may now possess to conduct operations as a public utility warehouseman at Long Beach; that, immediately upon the sale and transfer of said operative rights, City Transfer and Storage Company and Jack P. Merrick shall, on not less than five (5) days' notice to the Commission and to the public, supplement or reissue tariffs on file with the Commission in so far as they name rates, rules and regulations governing warehouse operations of City Transfer and Storage Company at Long Beach to show that it has withdrawn or canceled, and that Jack P. Merrick has concurrently adopted or established as his own said rates, rules or regulations; and that tariff filings made pursuant to this order shall in all other respects

comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

This order shall become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 12th day of November, 1947.

Harold P. Kule

Justus J. Galloway

Frank H. Powell

Richard J. ...

Commissioners