

ORIGINALDecision No. 48103

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of UNION ICE & STORAGE COMPANY, a)
corporation, for a certificate of)
public convenience and necessity) Application No. 33876
authorizing it to operate a cold)
storage warehouse in Los Angeles,)
California.)

Reginald L. Vaughan for applicant.O P I N I O N

Applicant herein is a California corporation having its principal place of business at 354 Pine Street, San Francisco, California, and is engaged in the business of a public utility cold storage warehouseman at various locations within the State of California. A certificate of public convenience and necessity is requested herein, authorizing the operation of 13,489 square feet of cold storage warehouse space in Los Angeles, California.

A public hearing was held in Los Angeles on December 1, 1952, before Examiner Syphers, at which time evidence was adduced and the matter submitted.

At the hearing the superintendent of cold storage for applicant company testified that the Union Ice & Storage Company proposes to operate the space for which a certificate is herein requested, under a lease arrangement from the Union

Ice Company, the premises being owned by the latter company and located at Industrial and Alameda Streets, Los Angeles, California. A copy of the lease agreement was received as Exhibit No. 1. It should be noted that this agreement is of general application, covering the leasing of various properties throughout the state from the Union Ice Company by the applicant herein. Authority to enter into this lease agreement, as to other properties of applicant, was obtained by Decision No. 23075, dated November 13, 1930, in Application No. 16992.

The rates proposed to be charged are attached to the application as Exhibit B, and are the same as those used by other warehousemen in the Los Angeles area. The testimony disclosed that applicant desires to hold itself out generally to store any commodities which may require cold storage or freezer storage. The facilities are so constructed as to provide for either type of storage.

It was further testified that for the past three and one-half years the applicant has operated these facilities as a private warehouse, with 95 per cent of the occupied space being used by one customer. It was further disclosed that the occupied space amounted to approximately 85 per cent of the available space, and that, while applicant intends to continue storing for this one large customer, it also intends to hold out generally to the public to the extent of its facilities.

Applicant has received requests from other prospective customers requesting storage, and it has also received

requests from customers for the issuance of warehouse receipts which they cannot get from private landlords. Further it was testified that applicant has received criticisms and complaints from other public warehouses to the effect that this private facility was being operated in the midst of warehouses which are dedicated to the public use.

The facilities in question are complete. Applicant will require no new investment in order to conduct the proposed public warehouse operations. A description of the proposed facilities is attached to the application as Exhibit C, and a financial statement as of June 30, 1952, is attached to the application as Exhibit D.

An analysis of this evidence leads to the conclusion, and we now find, that applicant is willing and able to provide the proposed service. We further find from this record that public convenience and necessity require the issuance of the authority herein requested.

The operators of public utility warehouses in the vicinity were notified, but no one appeared in opposition to the granting of the application.

Union Ice & Storage Company 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.

O R D E R

Application as above entitled having been filed, a public hearing having been held thereon, and the Commission being fully advised in the premises and hereby finding that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity authorizing operations as a warehouseman, as defined in Section 239 of the Public Utilities Code, be, and it hereby is, granted to Union Ice & Storage Company, a California corporation, for the operation of not more than 13,489 square feet of cold storage warehouse space in premises located at Industrial and Alameda Streets, Los Angeles, California.

(2) That, in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- (a) Within thirty (30) days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.

(b) Within ninety (90) days after the effective date hereof and on not less than five (5) days' notice to the Commission and to the public, applicant shall establish the service herein authorized and comply with the provisions of General Order No. 61, by filing in duplicate, and concurrently making effective, appropriate tariffs.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 27th day of December, 1952.

R. F. Smith
President
Justice J. Calver
Harold H. Hule
Kenneth Patten
John E. Mitchell
Commissioners