

ORIGINAL

Decision No. 48893

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Jack P. Merrick, doing business as the City Warehouse & Storage Co., to sell and transfer to Arthur Vincent an undivided one-half interest in his operative rights to conduct operations as a public warehouseman at Long Beach, California, for the consideration of \$6,000.00.

Application No. 34556

OPINION AND ORDER

Jack P. Merrick, doing business as City Warehouse & Storage Co., conducts public utility warehouse operations in the City of Long Beach. By this application he seeks authority to sell a one-half interest in his operative right and warehouse equipment to Arthur Vincent for a cash consideration of \$6,000.

The verified application shows that Merrick has operated the warehouse for many years but that in recent years, due to other business interests, he has been able to devote only a part of his time to the warehouse operation. It also shows that Vincent has acted as manager and accountant of the firm for the past three years and will continue to manage the business under the partnership arrangements. No change is proposed in warehouse rates or in service available to the public.

Jack P. Merrick and Arthur Vincent are hereby placed upon 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 holders

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.

It appears that this is a matter in which a public hearing is not necessary and that the application should be granted. It is hereby found that applicant's proposal is not adverse to the public interest.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Jack P. Merrick, doing business as City Warehouse & Storage Co., may, within sixty days after the effective date hereof, sell a one-half interest in the warehouse operative right and warehouse equipment involved in this proceeding to Arthur Vincent; that prior to the effective date of said transfer applicants shall, on not less than five days' notice to the Commission and the public, supplement or reissue tariffs on file with the Commission insofar as they name rates, rules and regulations governing warehouse operations of Jack P. Merrick, doing business as City Warehouse & Storage Co., at Long Beach to show that Jack P. Merrick has withdrawn or canceled and that Jack P. Merrick and Arthur Vincent, copartners, have concurrently adopted or established as their own said rates, rules and regulations; and that the 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 days after the date hereof.

Dated at San Francisco, California, this 28th day of July, 1953.

A. J. [Signature]
President
Justin F. Callender
Harold P. Huls
Benjamin Patten
Commissioners