

**ORIGINAL**

Decision No. 49588

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 TERMINAL REFRIGERATING COMPANY, a )  
 corporation, for a certificate of )  
 public convenience and necessity )  
 authorizing it to extend its cold )  
 storage warehouse operations in )  
 Los Angeles, California. )

Application No. 34033

Vaughan, Paul and Lyons, by Reginald L. Vaughan,  
 for applicant.

O P I N I O N

Applicant is a California corporation having its principal place of business at 748 Terminal Street, Los Angeles 21, California, and is engaged in the business of a public utility cold storage warehouseman in Los Angeles. A certificate of public convenience and necessity is requested herein authorizing the operation of 70,000 square feet of cold storage warehouse space in Los Angeles, California.

A public hearing was held in Los Angeles on January 15, 1954, before Examiner Syphors, at which time evidence was adduced and the matter submitted.

At the hearing the vice president and general manager of applicant company testified that the Terminal Refrigerating Company intends to construct warehouse facilities on four and one-half acres of land which it has purchased at 748 Jesse Street in Los Angeles. The immediate plans are to construct

approximately 48,000 square feet of storage space with provision for additions thereto up to the 70,000 square feet.

Exhibit 1 shows the floor plans and elevations of the proposed structure, and Exhibit 2 sets out a description of the facilities. The witness testified that the communities which they now serve have grown very rapidly in the last few years and, accordingly, its existing facilities are inadequate to meet the demand. It intends to devote the proposed facility principally to the handling of frozen foods which is a business which has expanded greatly in the last few years. In this connection Exhibit 4 was introduced, which exhibit is a study of the refrigerated storage throughout the United States and which shows the projected requirements for public warehouses handling this type of storage.

Exhibit 3 is a financial statement of applicant as of November 30, 1953. The rates proposed to be charged and the rules and regulations governing such rates are those prescribed by the provisions of California Warehouse Tariff Bureau Cold Storage Warehouse Tariff No. 12, Cal. P.U.C. No. 87, as amended, California Warehouse Tariff Bureau Quick Freeze Cold Storage Warehouse Tariff No. 1, Cal. P.U.C. No. 131, as amended, and California Warehouse Tariff Bureau Cold Storage Warehouse Tariff No. 2-D, Cal. P.U.C. No. 86, as amended.

Public witness testimony was presented showing that existing shippers and storers of frozen foods have used applicant's present services and found them satisfactory and, in addition, have a need for additional storage facilities. If

the authority is granted these storers of frozen foods would use the new warehouse facilities, according to the testimony adduced.

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.

Terminal Refrigerating 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 the Terminal Refrigerating Company, a California corporation, for the operation of not more than 70,000 square feet of cold storage warehouse space, which warehouse space is to be constructed on property located at 748 Jesse Street, Los Angeles.

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

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.
- (b) Within ninety days after the effective date hereof, and on not less than five 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 days after the date hereof.

Dated at San Francisco, California, this 25th day of January, 1954.

James H. [Signature]  
John E. [Signature]  
Denne [Signature]

Commissioners

R. E. Mittelstaedt

Commissioner S. Justus F. Cramer, being necessarily absent, did not participate in the disposition of this proceeding.