

ORIGINALDecision No. 49719

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
authorizing it to operate a cold
storage warehouse in Los Angeles,
California.

Application No. 34979

Vaughan, Paul & Lyons by
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 construction and 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 25, 1954, before Examiner Syphers, at which time evidence was adduced and the matter submitted.

At the hearing there was incorporated into this record the record previously adduced in Application No. 33876 which led to Decision No. 48103, dated December 22, 1952. In Decision No. 48103 reference is made to a lease agreement between applicant

and the Union Ice Company under the terms of which applicant leases property owned by the Union Ice Company and located at Industrial and Alameda Streets in the City of Los Angeles. The facilities proposed to be constructed in the instant application are to be located on this property. The rates proposed to be charged together with the rules and regulations applicable thereto are contained in the following tariffs on file with this Commission, as such tariffs are applicable to applicant's warehouses located at 660 South Alameda Street, Los Angeles, California:

- (a) California Warehouse Tariff Bureau Cold Storage Tariff No. 2E, Cal P.U.C. No. 148, Jack L. Dawson series;
- (b) California Warehouse Tariff Bureau Cold Storage Tariff No. 12, Cal P.U.C. No. 87, L. A. Bailey Series; and
- (c) California Warehouse Tariff Bureau Quick Freeze Cold Storage Tariff No. 1, Cal P.U.C. No. 131, L. A. Bailey series.

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 proposed to be constructed are described in exhibits attached to the application and will suffice for either type of storage.

Also attached to the application is a balance sheet of applicant as of October 31, 1953.

The Superintendent of Cold Storage for applicant company testified as to the present facilities of applicant and as to the plans for construction of additional facilities. He stated that with the present facilities it is not possible to

accommodate the customers in a satisfactory manner and in this connection pointed out the growth of population in the Los Angeles area and the increase in food sales with particular reference to frozen foods. He likewise discussed the requirements for so-called cooler space for the storage of fresh produce.

Exhibits 1, 2, and 3 are publications relating to the frozen food industry and indicating the growth of that business. Exhibit 4 is a study of the refrigerated storage space in the United States and the anticipated additional requirements.

The plans for the facilities proposed to be constructed have been completed and applicant is in a position to proceed with this construction.

Public witness testimony from two witnesses who testified at the hearing and from four others whose testimony was stipulated into the record showed that there is a demand for additional storage space. The companies represented have used applicant's services in the past, have found them to be satisfactory, and will use the additional facilities if they are constructed. Exhibit 5 consists of thirteen letters from additional storers who favor the instant application.

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 construction and operation of not more than 70,000 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 days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.
- (b) Within one hundred eighty 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 12th day of February, 1954.

R. F. [Signature]
President

Justin D. [Signature]

[Signature]

[Signature]

[Signature]
Commissioners