

Decision No. 54208**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DOUGLASS WAREHOUSE CO. for a certificate of public convenience and necessity to operate a public warehouse in the City of Oakland, County of Alameda, State of California; for an emergency permit to operate such public warehouse pending determination of this application; and for a permit to issue and sell its shares of capital stock.

Application No. 38755

Haskell Titchell, for applicant.
Vaughan, Paul and Lyons by Reginald Vaughan, John G. Lyons and Varnum Paul, for Haslett Warehouse Company, Bekins Warehousing Corp., Dreisbach Cold Storage Co., National Ice and Cold Storage Company of California, Union Ice and Storage Company, Howard Terminal, Merchants Express Corporation, Warehousemen's Association of the Port of San Francisco and Pacific States Cold Storage Warehousemen's Association, protestants.
Lloyd S. MacDonald, for the Port of Oakland,
Richard Linden, William Burke, for ILWU, interested parties.
Sidney J. Webb, for the Commission's staff.

O P I N I O N

Douglass Warehouse Co., a corporation, requests authority to operate a public warehouse providing facilities for both cold storage and general merchandise warehousing. It also requests authority to issue 2,000 shares of its capital stock for a cash consideration of \$20,000 and for temporary authority to operate as a public warehouseman pending final determination of the instant application.

A public hearing was held before Examiner Thomas E. Daly at San Francisco and the matter was submitted on March 13, 1957, following oral argument.

The proposed facilities are located at 51 Webster Street, in the City of Oakland and consist of a three-story building situated in the immediate vicinity of the Oakland produce district. The building was originally built in 1928 and has been continuously

maintained as a public warehouse by Haslett Warehouse Co. (hereinafter sometimes referred to as Haslett) and its predecessor, the Lawrence Warehouse Co. It presently consists of approximately 56,000 square feet of usable dry storage space and approximately 40,000 square feet of usable cold storage space. In January of 1956, Haslett sold the property to the State of California under threat of possible partial or total condemnation. Thereafter Haslett occupied the premises under a one-year lease pending the construction of a new warehouse located at 1991 Dennison Street in the City of Oakland, approximately two miles from the Webster Street location. On February 1, 1957, Haslett moved to the new location. The property at 51 Webster Street was sold by the State of California to the Port of Oakland and now remains empty. The sale to the Port of Oakland was made subject to the possible condemnation by the State of 23.5 per cent of the usable dry storage space, which would reduce such space to approximately 36,972 square feet. The usable cold storage space would remain the same. On February 5, 1957, the property was leased to applicant for the balance of 1957 at a monthly rental of \$4,000.

Applicant proposes to finance the operation through the issue of 2,000 shares of its capital stock having a par value of \$10 a share. Additional financing in the amount of \$20,000 for working capital may be provided by way of loans through local banks or the stockholders. The proposed rates would be substantially similar to those appearing in California Warehouse Tariff Bureau Cold Storage Warehouse No. 12, Cal. P.U.C. No. 87 of Jack L. Dawson, Agent, and California Warehouse Tariff Bureau Cold Storage Warehouse Tariff No. 6c, Cal. P.U.C. No. 153, Jack L. Dawson, Agent.

Numerous public witnesses testified as to their business needs and requirements relative to the storage of commodities. They represent business concerns primarily located in the East Bay area.

Although the record demonstrates no need for a public warehouse service for the storage of dry goods, it does demonstrate a substantial need for a public warehouse cold storage service, particularly during the summer fruit harvest. Protestants conceded that the existing facilities are inadequate to meet the tremendous demand for cold storage service during the summer months, but argue that it would be financially imprudent to provide sufficient facilities for the purpose of meeting the peak summer demand, only to have them remain empty the rest of the year.

The State of California is experiencing an ever-increasing growth in population and industrial development. It is apparent that as time goes on there will be a corresponding increase in demand for the type of cold storage service herein proposed. After consideration of the record, therefore, the Commission is of the opinion and so finds that public convenience and necessity require that applicant transact the business of a warehouseman for commodities requiring cold storage and limited to 40,000 square feet located at 51 Webster Street, Oakland, California. The Commission further finds that the proposed issue of stock should be approved, that the money, property or labor to be procured or paid for through the issue of the stocks herein authorized is reasonably required for the purposes set forth herein and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income. In all other respects the application will be denied.

ORDER

Application having been filed and the Commission being informed in the premises;

IT IS ORDERED:

(1) That a certificate of public convenience and necessity is hereby granted to Douglass Warehouse Co., authorizing it to operate and conduct a public cold storage warehouse service limited to 40,000 square feet at 51 Webster Street, Oakland, California.

(2) That within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.

(3) That within sixty days after the effective date hereof, and on not less than five days' notice to the Commission and the public applicant shall establish the service herein authorized and shall file in triplicate, and concurrently make effective appropriate tariffs.

(4) That applicant, after the effective date hereof and on or before November 1, 1957, may issue not exceeding \$20,000 par value of its capital stock.

(5) That applicant shall file with the Commission monthly reports, as required by General Order No. 24-A, which order, in so far as applicable, is hereby made a part of this order.

(6) That in all other respects the application as amended is hereby denied.

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

Dated at San Francisco, California, this 16th day of April, 1957.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners