

Decision No. 58261

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of HENRY WILLIAM SCHAFER,)
FRANCES LOUISE SCHAFER AND CHARLES C.)
CHANDLER, JR., PARTNERS, DOING BUSINESS)
AS ANTELOPE VALLEY REFRIGERATING CO., a)
partnership, for permission to discon-)
tinue public utility service and to can-)
cel tariff.)

Application No. 40809

OPINION AND ORDER

Henry William Schafer, Frances Louise Schafer and Charles C. Chandler, Jr., a partnership, doing business as Antelope Valley Refrigerating Co., conduct a public utility cold storage warehouse operation at Palmdale, Los Angeles County. By this application, they seek authority to discontinue this operation. Applicants propose to use the facilities for the storage of household goods.

The application states that there has been a reduction of acreage in pear and peach production in the area due to the upsurge of real estate subdivisions, thereby reducing the acreage, which in the past was used for fruit production. The application alleges that a further reduction of fruit production was caused by a disease in the fruit trees in that area. According to the application, the remaining fruit growers in the Antelope Valley are currently transporting their products directly to market areas, thereby avoiding storage and the necessity of double handling charges in connection with these products. Applicants further state that the construction of large refrigerated warehouses in the San Joaquin Valley and the use of such warehouses by producers in that area have contributed to the decline in business.

Applicants allege that financial losses incurred in the operation of their public utility warehouse constitute an undue burden on them, and that the losses will impair their financial structure if permitted to continue. Applicants aver that public convenience and necessity in the Antelope Valley do not require the continuance of the cold storage warehouse.

An exhibit attached to the application shows that income from public utility cold storage warehousing has been decreasing for a number of years. The following table is applicants' summarization of their public utility cold storage warehouse operation for the years 1956 through 1958, inclusive:

	<u>1956</u>	<u>1957</u>	<u>1958</u>
Public Utility Cold Storage Warehouse Operating Income	\$15,901.60	\$ 4,434.76	\$ 3,246.48
Operating Expenses	<u>15,381.48</u>	<u>7,004.10</u>	<u>5,963.52</u>
Net Operating Income	\$ 520.12	\$(2,569.34)	\$(2,717.04)
(denotes loss)			

The application shows that the Chamber of Commerce of the City of Palmdale and two former large storers were notified of the proposed discontinuance of the warehouse operation. The application contains a letter addressed to the Commission by the Chamber of Commerce of Palmdale. The letter states the proposed withdrawal of the public cold storage warehouse would not adversely affect the economic conditions of the area. Letters from two former storers state that, while they have used the facilities for many years in the past, they have not used applicants' warehouse in the last two or three years because they found it to their advantage to store their fruit in Los Angeles. In their

opinion, the public would not be adversely affected if applicants were allowed to withdraw from public utility cold storage warehouse operations.

The application avers that at the present time no use is being made by the public of the public utility service facilities owned and operated by applicants.

Upon consideration of the allegations contained in the application, the Commission finds that the proposed discontinuance of the cold storage public utility warehouse operations here involved will not be adverse to the public interest. The application will be granted. A public hearing is not necessary.

Therefore, good cause appearing,

IT IS ORDERED:

(1) Henry William Schafer, Frances Louise Schafer and Charles C. Chandler, Jr., partners, doing business as Antelope Valley Refrigerating Co., are hereby authorized to discontinue service as a public utility cold storage warehouseman at Palmdale, Los Angeles County, as proposed in the above application.

(2) In the event the authority herein granted is exercised, applicants shall notify the Commission in writing of such fact within fifteen days after the date of the discontinuance of the public utility warehouse operations herein authorized.

(3) Effective upon receipt of the notice provided for by Ordering Paragraph (2) hereof, Cold Storage Warehouse Tariff No. 3, Cal.P.U.C. No. 3, issued by the Antelope Valley Refrigerating Co., a corporation, which applicants were authorized to reissue or supplement by Decision No. 48815, in Application No. 34432, is canceled.

(4) The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 14th day of April, 1959.

Carl L. Fox President
John E. Felt
William H. French
Theodore J. Gurnea
Conrad R. Felt Commissioners