

Decision No. 62837

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BRUCE CHURCH, INC.,
 a California corporation, IMPERIAL
 FARMERS COMPANY, a limited partner-
 ship, MURFF & COMPANY, INC., a
 Tennessee corporation, and FONDO
 MESQUITE CORPORATION, a California
 corporation, all doing business as
 IMPERIAL COMPRESS COMPANY, a partner-
 ship, to operate a public warehouse
 in Brawley, California.

Application No. 43653
(Filed August 2, 1961)

Horace N. Freedman and Charles W. P.
Kamanski, for applicants.
W. K. Francis, for El Centro Compress
and Warehouse Co., protestant.

O P I N I O N

Public hearing was held before Examiner Power at San Francisco on September 22, 1961 and the matter submitted. Copies of the application and notice of hearing were served as required by the Commission's procedural rules. There was one protest.

Applicants are a partnership composed of four partners. Three of these are corporations, one a limited partnership. All four engage in cotton growing in or near the Imperial Valley. They seek this certificate for the operation of a public utility cotton warehouse and compress facility in Brawley. Applicants' prospective manager, the representative of one of the partners, three public witnesses and the protestant testified. The protestant operates a competitive facility at El Centro. Applicants introduced three exhibits.

Much of this evidence is not conflicting. Applicants hope to obtain patronage from the Imperial, Palo Verde and

Coachella Valleys. These three valleys have produced up to 220,000 bales of cotton in a year. Protestant's facility can accommodate 30,000 bales normally or 40,000 bales if a higher insurance rate is paid. Applicants propose to provide approximately 140,000 square feet which, they estimate, will provide storage for 20,000 bales.

If a certificate is granted, the storage available in this area will be 60,000 bales, maximum. The total crop in the three areas in 1960 was approximately 221,000 bales with 158,000 bales in Imperial Valley alone. In 1955 the total crop amounted to 118,000 bales with 81,000 in Imperial. The evidence appears to favor applicants' proposed service.

The Commission hereby finds that public convenience and necessity require that the authority asked for be granted and that applicants have the necessary financial ability to render the proposed service.

Bruce Church, Inc., a California corporation; Imperial Farmers Company, a limited partnership; Murff & Company, Inc., a Tennessee corporation; and Fondo Mesquite Corporation, a California corporation, are 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, such rights extend to the holder a full or partial monopoly in a particular location. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

Public hearing having been held and the Commission basing its decision on the evidence therein adduced and the findings and conclusions set forth in the foregoing opinion,

IT IS ORDERED that:

1. A certificate of public convenience and necessity be and it is granted to Bruce Church, Inc., a California corporation; Imperial Farmers Company, a limited partnership; Murff & Company, Inc., a Tennessee corporation; and Fondo Mesquite Corporation, a California corporation, authorizing them as partners to operate as a public utility warehouseman, as defined in Section 239(b) of the Public Utilities Code, in the location more particularly set forth in Appendix A attached hereto and by this reference made a part hereof.

2. In rendering service under the authority herein granted, applicants shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicants shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicants are placed on notice that they will be required, among other things, to file annual reports of their operations. Failure to file such reports, in such form and at such time as the Commission may direct, may result in a cancellation of the operating authority granted by this decision.
- (b) Within one hundred twenty days after the effective date hereof and on not less than

ten days' notice to the Commission and to the public, applicants shall establish the service herein authorized and file in triplicate, and concurrently make effective, tariffs satisfactory to the Commission.

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

Dated at San Francisco, California, this 21st day of November, 1961.

Lowell A. Ray
President

W. J. Mitchell

E. J. Fox

George H. Hoover

Fredrick B. Halaloff
Commissioners

Bruce Church, Inc., a California corporation; Imperial Farmers Company, a limited partnership; Murff & Company, Inc., a Tennessee corporation; and Fondo Mesquite Corporation, a California corporation, by the certificate of public convenience and necessity granted in the decision noted in the margin, are, as partners, authorized as a public utility warehouseman to operate storage or warehouse floor space for the storing of cotton and cotton products only, as follows:

<u>Location</u>	<u>Area or Capacity</u>
Brawley, (Imperial County)	140,000 square feet

(The floor space shown above is exclusive of the 50,000 square feet of expansion permissible under Section 1051 of the Public Utilities Code).

End of Appendix A

Issued by California Public Utilities Commission.

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