

**ORIGINAL**Decision No. 63973

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 LAWRENCE WAREHOUSE COMPANY, a Cali- )  
 fornia corporation, to sell, and )  
 NORTH VALLEY MILL AND ELEVATOR )  
 COMPANY, a California corporation, )  
 to purchase prescriptive warehouse )  
 operating rights. )

Application No. 44570

O P I N I O N

Lawrence Warehouse Company requests authority to sell and transfer, and North Valley Mill and Elevator Company, requests authority to purchase and acquire, prescriptive warehouse operating authority at Artois, Corning and Rotavele.

The prescriptive rights are as follows:

1. ARTOIS

Space of 35,164 square feet plus 13,000 tons bulk storage capacity.

2. CORNING

Space of 10,500 square feet plus 9,000 tons bulk storage capacity.

3. ROTAVELE

3,000 tons bulk storage capacity.

The agreed consideration is three dollars. As of February 28, 1962, applicant purchaser indicated a net worth in the amount of \$33,117.13.

It is alleged that in October of 1957, Pacific Mill and Elevator, a corporation, commonly controlled with applicant purchaser, leased to seller the premises now occupied by it at Artois, Corning.

and Rotavele; that applicant seller continued warehouse operations formerly conducted by said lessor; that the lease is about to terminate and a new lease is to be executed with applicant purchaser; that when the prescriptive rights were created by the 1959 legislation, applicant seller was recognized as the owner thereof as to the three cities specified; and that the proposed transfer will permit applicant purchaser to take over the same facilities and thereby perpetuate the service.

It is requested that the matter be expedited because there is an immediate need for the warehouse space involved to store crops which are presently being harvested.

After consideration the Commission finds and concludes that the proposed transfer would not be adverse to the public interest. A public hearing is not necessary.

North Valley Mill and Elevator 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, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. 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

Application having been filed and the Commission having determined that the application should be granted,

IT IS ORDERED that:

1. On or before December 1, 1962, Lawrence Warehouse Company may sell and transfer, and North Valley Mill and Elevator Company may

purchase and acquire, the operative rights referred to in Appendix A attached hereto and by this reference made a part hereof.

2. Within thirty days after the consummation of the transfer herein authorized, North Valley Mill and Elevator Company shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

3. Applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the common carrier operations here involved to show that Lawrence Warehouse Company has withdrawn or canceled, and North Valley Mill and Elevator Company has adopted or established, as its own, said rates, rules and regulations. The tariff filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 61.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 17th day of JULY, 1962.

George G. Trover  
President  
[Signature]  
[Signature]  
[Signature]  
Frederic B. [Signature]  
Commissioners

North Valley Mill and Elevator Company, a corporation, possesses a prescriptive operative right as a public utility warehouseman for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Area or Capacity</u>
Artois	35,164 square feet, plus 13,000 tons bulk storage capacity.
Corning	10,500 square feet, plus 9,000 tons bulk storage capacity.
Rotavele	3,000 tons bulk storage capacity.

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

Issued by California Public Utilities Commission.

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