

**ORIGINAL**

Decision No. 68366

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In The Matter of The Application )  
of )  
DE PUE WAREHOUSE COMPANY, )  
a corporation. )  
Application for Order Authorizing )  
the Purchase of Warehouse and )  
Authorizing Borrowing of Money )  
for Said Purchase and Encumbrance )  
of Certain Property as Security )  
Therefore, and Authorizing the )  
Making of Certain Improvements )

Application No. 47081  
Filed October 30, 1964

O P I N I O N

De Pue Warehouse Company requests an order of the Commission authorizing it (1) to operate a public warehouse in the vicinity of Williams, Colusa County; (2) to execute a deed of trust and a mortgage of chattels; and (3) to issue its promissory note in the principal amount of \$150,000.

Applicant is a California corporation engaged in business as a public utility warehouseman pursuant to the prescriptive operative right determined by the Commission on June 20, 1960 in Case No. 6561. Said right authorizes the operation of 103,000 square feet of storage or warehouse floor space, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code, as follows:

<u>Location</u>	<u>No. of Square Feet of Floor Space</u>
Cortena Station	18,000
Genevra Station	38,500
Vicinity of Maxwell on Maxwell-Colusa Rd.	8,000
City of Williams	<u>38,500</u>
Total	<u>103,000</u>

The balance sheet, attached to the application as part of Exhibit F, indicates that as of February 29, 1964, the corporation's total assets of \$158,390 were offset primarily by common stock equity amounting to \$154,786 and that its net current assets totaled \$75,227. For the fiscal year ended February 29, 1964, it reports total revenues and net income of \$93,126 and \$9,604, respectively.

The application shows that the company has arranged to purchase certain real property, together with a warehouse, rice drier, machinery and other equipment for a total price of \$100,000. Applicant asserts that such properties are located in the immediate vicinity of the City of Williams and within four blocks of its present Williams warehouse. The company reports further that it intends to spend approximately \$50,912 on certain improvements at the new location for the purpose of providing adequate facilities to its customers.

In order to finance the cost of acquiring said warehouse properties and making improvements thereon, the company proposes to borrow \$150,000 from the Bank of America

National Trust and Savings Association and to issue a promissory note as evidence of such borrowing. Principal on said note will be repayable in annual installments of \$18,750, plus interest at the rate of 6-1/2% per annum, and repayment of the indebtedness will be secured by a deed of trust and a mortgage of chattels.

Applicant alleges that the increased use of fertilizers and the modernization of farm machinery are producing greater crop yields and shorter harvesting periods in the Williams area, and that expanded storage and drying facilities must be made available to the farming community. The application is not opposed.

The Commission has considered this matter and finds that: (1) public convenience and necessity require the transaction of business by applicant in the immediate vicinity of Williams as a public utility warehouseman as defined in Section 239(b) of the Public Utilities Code; (2) the proposed note issue is for proper purposes; (3) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purposes specified herein; and (4) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings, we conclude that the application should be granted. A public hearing is not necessary. The authorization herein given is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

De Pue Warehouse 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 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

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to De Pue Warehouse Company, a corporation, as a public utility warehouseman as defined in Section 239(b) of the Public Utilities Code for the operation of storage or warehouse floor space as set forth in Appendix A attached hereto and made a part hereof.

2. 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 and twenty days after the effective date hereof, applicant shall establish the service herein authorized and file tariffs, in triplicate, in the Commission's office.
- (c) The tariff filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the establishment of the service herein authorized.
- (d) The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 61-A.

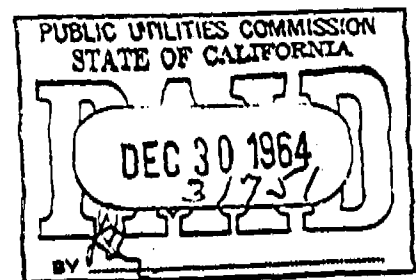
3. De Pue Warehouse Company, on or after the effective date hereof and on or before March 31, 1965, for the purposes specified in this proceeding, may issue a promissory note in the principal amount of not to exceed \$150,000 repayable in eight annual principal installments of \$18,750, plus interest at the rate of 6-1/2% per annum on the unpaid balance, and may execute a deed of trust and a mortgage of chattels to secure the indebtedness evidenced by said note.

4. De Pue Warehouse Company shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

5. This order shall become effective when De Pue Warehouse Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$150.

Dated at San Francisco, California,  
this 22nd day of December, 1964.

Frederick B. Hallock  
President  
John Mitchell  
Charles W. Page  
George E. Trover  
William L. Bennett  
Commissioners



APPENDIX A

DE PUE WAREHOUSE COMPANY  
(a corporation)

De Pue Warehouse Company, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to operate storage and warehouse floor space as follows:

<u>Location</u>	<u>No. of Square Feet of Floor Space</u>
In the immediate vicinity of Williams (Colusa County)	5,910

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

End of Appendix A

Issued by California Public Utilities Commission.

Decision No. 68366, Application No. 47081.