

Decision No. 71117

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )  
of )  
National Storage Company, A )  
Corporation, for authorization )  
to sell and transfer Public )  
Utility Warehouse Operative )  
Rights in the City of Vernon and )  
City of Los Angeles, California )  
and of )  
National Cold Storage Company, A )  
Corporation, to acquire said )  
Operative Rights )  
and of )  
National Cold Storage Company, A )  
Corporation, for an order )  
authorizing National Cold Storage )  
Company to issue capital stock. )

Application No. 48671  
Filed July 28, 1966

O P I N I O N

This is an application for an order of the Commission authorizing National Storage Company to transfer its public utility warehouse operative rights to National Cold Storage Company and authorizing the latter to issue and sell 500 shares of its capital stock.

National Storage Company is a California corporation engaged in business as a public utility warehouseman in the cities of Los Angeles and Vernon pursuant to prescriptive operative rights, the right for the latter city having been determined by the Commission on August 9, 1960, in Case No. 6778. The major portion of the company's revenues are derived from food processing operations, a nonutility activity.

National Cold Storage Company is a California corporation organized on or about July 7, 1966. It plans to acquire said rights for a purchase price of \$1, and to issue 500 shares of its capital stock without par value at \$100 per share to National Storage Company in order to obtain \$50,000 of working capital.

Applicants indicate that the severance of the public utility warehouse activity from National Storage Company will allow for a more flexible and efficient organization, will facilitate financing necessary in the food processing operation, and will terminate the need for reporting to the Commission details on unregulated activities.

The Commission has considered this matter and finds that: (1) the proposed transfer will not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is 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 action taken herein shall not be construed as a finding of the value of the operative rights herein authorized to be transferred nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. On or before October 31, 1966, National Storage Company may transfer, and National Cold Storage Company may acquire, the operative rights referred to in the application. Applicants may consummate the transfer as of August 1, 1966, for accounting purposes.

2. National Cold Storage Company, on or before October 31, 1966, for the purpose of obtaining working capital, may issue and sell, for \$100 cash per share, not to exceed 500 shares of its capital stock without par value.

3. National Cold Storage 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.

4. Within thirty days after the consummation of the transfer herein authorized, National Cold Storage 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.

5. National Cold Storage Company shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations herein to show that it has adopted or established, as its own, said rates and rules. The tariff filings shall be made effective not earlier than ten days after the 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 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-A.

6. Concurrently with the effective date of tariff filings for warehouse operations required by Ordering Paragraph 5 hereof, the prescriptive operative right as a public utility warehouseman, set forth in the order dated August 9, 1960, in Case No. 6778, is hereby revoked and, in place and stead thereof, a prescriptive operative right as a public utility warehouseman is hereby stated for National Cold Storage Company, as more particularly set forth in Appendix A attached hereto.

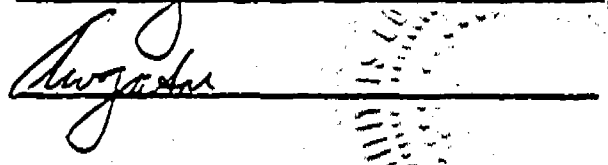
7. On or before the end of the third month after the consummation of the transfer as herein authorized, National Cold Storage Company shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the warehouse operations of the transferor for the period commencing with the first day of the current fiscal year to and including the effective date of the transfer for accounting purposes.

8. The effective date of this order is the date hereof.

Dated at San Francisco, California,  
this 17<sup>th</sup> day of AUGUST, 1966.

  
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President

  
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Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.

National Cold Storage 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>No. of Square Feet of Floor Space</u>
Vernon	34,595

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

(No determination is made herein with respect  
to operative rights as a public utility  
warehouseman within any city having a  
population of 150,000 or more.)

(End of Appendix A)

Issued by California Public Utilities Commission.

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