

**ORIGINAL**

Decision No. 71774

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of: )

SIGNAL TRUCKING SERVICE, LTD., a )  
corporation, to transfer, and of )  
PASHA WAREHOUSES, INC., a )  
corporation, to acquire a public )  
utility warehouseman certificate )  
of public convenience and )  
necessity, and of PASHA )  
WAREHOUSES, INC., a corporation, )  
to issue shares of its capital )  
stock. )

Application No. 48949  
Filed November 14, 1966  
and Amendment  
Filed December 9, 1966

O P I N I O N

This is an application for an order of the Commission authorizing Signal Trucking Service, Ltd. to sell and transfer a certificate of public convenience and necessity as a public utility warehouseman to Pasha Warehouses, Inc., and authorizing the latter to issue and sell \$2,000 par value of its capital stock.

Signal Trucking Service, Ltd., a California corporation, is authorized to conduct operations as a public utility warehouseman under the certificate of public convenience and necessity created by Decision No. 63336, dated February 26, 1962, in Application No. 43846. The certificate authorizes the operation of 50,000 square feet of floor space in San Francisco, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code. The company also engages in highway

common carrier activities and possesses other operative rights which are not involved in this proceeding.

Pursuant to a request of Signal Trucking Service, Ltd., the Commission suspended said certificate until February 15, 1967, by Decision No. 70302, dated February 1, 1966, as amended by Decision No. 70326, dated February 8, 1966, in Application No. 48094.

In the present proceeding Signal Trucking Service, Ltd. proposes to sell and transfer said certificate of public convenience and necessity for \$3,000 to Pasha Warehouses, Inc., a California corporation organized on or about August 18, 1966. Applicants request termination of the voluntary suspension of such certificate concurrent with the consummation of the proposed transfer.

Although Pasha Warehouses, Inc. has agreed to pay a cash consideration of \$3,000 for said certificate, it indicates in the amendment to the application that it will not place any value upon the certificate in excess of that permitted by Section 820 of the California Public Utilities Code and any other applicable provisions of said code for this Commission's regulatory purposes. It appears that the corporation will obtain said \$3,000 as a short-term loan from its proposed stockholder to whom it intends to issue \$2,000 aggregate par value of capital stock in exchange for a like amount of cash to be used for working capital.

The application indicates that suitable warehouse space is available to Pasha Warehouses, Inc. for the conduct of its operations in San Francisco.

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 the foregoing findings we conclude that the application, as amended, should be granted. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is consummated, the revocation of the certificate presently held by Signal Trucking Service, Ltd. and the issuance of a certificate in appendix form to Pasha Warehouses, Inc.

Pasha Warehouses, Inc. 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. 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.

In issuing our order herein, we place Pasha Warehouses, Inc. and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares

nor the dividends paid as measuring the return the company should be allowed to earn on its investment in plant, and that the authorization herein given is not to be construed as a finding of the value of its stock or properties 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. The suspension of the certificate of public convenience and necessity pertaining to warehouseman operations in San Francisco ordered by Decision No. 70302, dated February 1, 1966, as amended by Decision No. 70326, dated February 8, 1966, in Application No. 48094, is hereby vacated and set aside contemporaneously with the consummation of the transfer authorized in the next ordering paragraph.

2. On or before March 31, 1967, Signal Trucking Service, Ltd. may sell and transfer, and Pasha Warehouses, Inc. may purchase and acquire, said public utility warehouseman certificate of public convenience and necessity.

3. Pasha Warehouses, Inc., on or before March 31, 1967, for the purpose of obtaining working capital, may issue and sell, at par for cash, not to exceed 200 shares of its \$10 par value capital stock.

4. Pasha Warehouses, Inc. 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. Within thirty days after the consummation of the transfer herein authorized, Pasha Warehouses, Inc. 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.

6. Pasha Warehouses, Inc. 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.

7. In the event the transfer authorized in Ordering Paragraph No. 2 hereof is consummated, a certificate of public convenience and necessity is granted to Pasha Warehouses, Inc. 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.

8. The certificate of public convenience and necessity granted in Ordering Paragraph No. 7 of this order shall supersede the certificate of public convenience and necessity granted by Decision No. 63336, which certificate shall be revoked effective concurrently with the effective date of the tariff filings required by Ordering Paragraph No. 6 hereof.

9. Within thirty days after the date hereof, Pasha Warehouses, Inc. shall file a written acceptance of the certificate herein granted. The company is placed on notice that, if it accepts the certificate of public convenience and necessity herein granted, it will be required, among other things, to file annual reports of its 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 public utility warehouse operations authorized by this decision.

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

Dated at San Francisco, California, this 29<sup>th</sup> day of DECEMBER, 1966.

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner George G. Grover did not participate in the disposition of this proceeding.

[Signature]  
President  
Friedrich B. Halbach  
[Signature]

Commissioners

Pasha Warehouses, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to operate 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>
San Francisco	50,000

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

(End of Appendix A)

Issued by California Public Utilities Commission.

Decision No. 71774, Application No. 48949.