

**ORIGINAL**

Decision No. 71994

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of G.W.A., INC., a corporation, doing business as ALLIED WAREHOUSE COMPANY, to transfer its prescriptive warehouse operative right; of STORECENTER, INC., a corporation, to acquire said operative right and of STORECENTER, INC., to issue capital stock.

Application No. 48980  
(Filed November 28, 1966)

O P I N I O N

G.W.A., Incorporated, a corporation, doing business as Allied Warehouse Company (seller), possesses a prescriptive right as a public utility warehouseman for the operation of 8,000 square feet of storage or warehouse floor space located in Vernon, California (Decision No. 67760 dated August 25, 1964, in Application No. 46505). By this application the seller requests authority to transfer said right to Storecenter, Inc., a California corporation (buyer); the buyer requests authority to issue stock and to move the warehouse operations from the City of Vernon to the City of La Mirada.

The articles of incorporation of the buyer were filed with the Secretary of State of California on October 24, 1966, and authorize it to issue 2,500 shares of no par value stock of one class. The buyer has not heretofore engaged in business and has no assets or liabilities other than its expenses of incorporation.

George W. Alfs is the president of the seller and the buyer. He and his family own all of the issued stock of the seller.

The seller proposes to transfer its prescriptive warehouse operative right to the buyer for no monetary consideration and pay the buyer the sum of \$7,500 in cash in exchange for 750 shares of the buyer's no par value capital stock to be issued at the stated value of \$10 per share.

The buyer requests authority to issue 750 shares of its stock to the seller for the stated considerations and to change the location of the warehouse from Vernon to a new plant at 14371 Industry Circle, La Mirada, California. Both the present warehouse in Vernon and the proposed site in La Mirada are within the same commercial area of the Greater Los Angeles Metropolitan Area.

The applicants allege that the purpose of the application is to segregate the public warehouse business of the seller from its petroleum irregular route carrier business so as to facilitate the operation of both businesses; that such separation will in no way impair the interest of the public; that the present facilities of the seller in Vernon are not suited for efficient public utility warehousing operations in that no space is available at such location for expansion under Section 1051 of the Public Utilities Code; and that the buyer has arranged to lease new, modern and efficient facilities for its public utility warehousing operations at La Mirada.

The applicants further allege that the funds derived by the buyer from the issue of its securities will be used to defray the expenses of its creation and to provide operating capital; that the new operation will have no adverse effect upon any other public utility warehouseman; and that the buyer proposes to adopt and become a party to the rates and charges named in the seller's tariff currently approved by the Commission.

A copy of the application was mailed to the Los Angeles Warehousemen's Association. It has advised the Commission in writing that it has no objection to the proposal.

After consideration, the Commission finds that the proposed transfer would not be adverse to the public interest; that the buyer should be authorized to issue stock for the purposes stated in the opinion herein; that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purposes specified herein, and such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; that discontinuance of public utility warehouse operations at Vernon would not be adverse to the public interest; that public convenience and necessity require public utility warehouse operations at La Mirada; and that a public hearing is not necessary.

The authorization herein granted shall not be construed as a finding of value of the right herein authorized to be transferred.

The certificate hereinafter granted shall be subject to the following provision of law:

The Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

The Commission concludes that the application should be granted.

The order which follows will provide for the revocation of the prescriptive right presently held by G.W.A., Incorporated, doing business as Allied Warehouse Company, and the issuance of a certificate in appendix form to Storecenter, Inc.

O R D E R

IT IS ORDERED that:

1. On or before one hundred twenty days after the effective date hereof, G.W.A., Incorporated, a corporation, may sell and transfer, and Storecenter, Inc., a corporation, may purchase and acquire, the operative right referred to in the application.
2. In the event the transfer authorized in paragraph 1 hereof is consummated, a certificate of public convenience and necessity is granted to Storecenter, Inc., 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.

3. The certificate of public convenience and necessity granted in paragraph 2 of this order shall supersede the prescriptive right recognized and described by Decision No. 67760, which right shall be revoked effective concurrently with the effective date of the tariff filings required by paragraph 5 hereof.

4. Within thirty days after the consummation of the transfer herein authorized, Storecenter, 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.

5. Storecenter, 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 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 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. On or before the end of the third month after the consummation of the transfer as herein authorized, Storecenter, Inc. 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 seller for the period commencing with the first day of the current fiscal year to and including the effective date of the transfer.

7. Storecenter, Inc., on or before July 31, 1967, may issue not to exceed 750 shares of its stock at the stated value of \$10 per share, for the purposes set forth in the opinion herein.

8. In providing service pursuant to the certificate herein granted, Storecenter, Inc., shall comply with and observe the following service regulation:

Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. Applicant 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.

9. Storecenter, Inc., shall file with the Commission monthly reports as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

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

Dated at San Francisco, California, this 7<sup>th</sup> day of FEBRUARY, 1967.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]  
Commissioners

Storecenter, Inc., a corporation, 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>Number of Square Feet of Floor Space</u>
La Mirada	8,000

(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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