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**ORIGINAL**

Decision No. 75535

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of: )

STATES WAREHOUSES, INC., a corporation )  
to: )

(a) Transfer the location of its )  
business and operations as a public )  
warehouseman, pursuant to Section 1051 )  
of the California Public Utilities )  
Code from the City of Vernon to the )  
City of La Mirada; and )

) Application No. 50876  
) (Filed February 11, 1969)

(b) Increase its rates and charges )  
as a public warehouseman pursuant to )  
Section 454 of the California Public )  
Utilities Code. )

O P I N I O N

States Warehouses, Inc., operates as a public utility warehouseman pursuant to a prescriptive operating authority determined in the Commission's order dated August 9, 1960, in Case No. 6763. Said right authorizes the operation of 41,600 square feet of floor space in Vernon.

In this application, States Warehouses, Inc., seeks authority (a) to move the location of its warehouse and transfer its business and operations as a public utility warehouseman to a location in the City of La Mirada, and (b) to increase its rates to the levels maintained by the majority of the general-commodity public utility warehousemen operating in the Los Angeles Metropolitan area.<sup>1/</sup>

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<sup>1/</sup> Said rates are those set forth in California Warehouse Tariff Bureau Tariffs Nos. 28-A and 29-A, Cal. P.U.C. Nos. 193 and 194, respectively, of Jack L. Dawson, Agent.

The application states that applicant has entered into a lease agreement in connection with a new warehouse facility located at 16000 Heron Avenue, La Mirada, consisting of a modern one-story building having a total of 115,000 square feet. Applicant proposes to utilize approximately 85,000 square feet of said space for public utility warehousing.<sup>2/</sup> Applicant asserts that there is a public need for public utility warehouse service in La Mirada, as indicated by statistical data published by financial institutions, and that the closest public utility warehouseman is located in Santa Fe Springs. Applicant states that it has notified its customers of the proposed change in location, and asserts that said move will not adversely affect any of its present customers.

The application contains an analysis of the effect on applicant's revenues of the proposed increase in storage and handling rates. Said analysis indicates that applicant's warehousing revenues will be increased by 28.9 percent over the rates presently being assessed. An operating statement for the year ending December 31, 1968, shows that applicant incurred an operating loss for its public utility warehousing operations of \$48,516, on total revenues of \$208,656. The proposed increase in rates of approximately \$69,000 will permit applicant's public utility warehouse operations to operate at a profit. The application further alleges that the rates proposed to be adopted by applicant are the prevailing rates, rules and charges being used by all major public warehouses in the greater Los Angeles

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<sup>2/</sup> The remaining 30,000 square feet are to be used as follows: 5,000 square feet as office space, and 25,000 square feet as non utility space leased to a nonaffiliated company.

Metropolitan area; that by adoption of said tariffs greater uniformity of rates as between warehouses will exist; and that the level of rates and charges are necessary to provide sufficient revenue to meet operating costs, thereby allowing applicant to continue to render public utility warehouse services.

Notice of the filing of the application herein was set forth in the Commission's Daily Calendar of February 14, 1969. By letter dated February 24, 1969, the Los Angeles Warehousemen's Association has informed the Commission that said organization supports the relief sought both as to transfer of the location of the facility and proposed rate increase. There are no protests.

The Commission finds as follows:

1. Public convenience and necessity no longer require applicant's public utility warehouse operations at Vernon.
2. Public convenience and necessity require the operations of 85,000 square feet of public utility warehouse space by applicant at La Mirada.
3. Transfer of the location of the warehouse will not be adverse to the public interest.
4. The increases in rates proposed in the application are justified.
5. A public hearing is not necessary.

The Commission concludes that the application should be granted. The prescriptive operative right now held by applicant will be revoked and a certificate of public convenience and necessity issued for the new location.

Applicant is 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 said rights. Aside from their purely permissive aspect, these rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or cancelled 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. Applicant is authorized to establish the increased rates and charges proposed in the application herein. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.

2. The authority granted in ordering paragraph 1 shall be subject to the express condition that applicant will never urge before the Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that the opinion and order herein constitute a finding of fact of the reasonableness of any particular rate or charge, and that the filing of rates and charges pursuant to the authority herein granted will be construed as a consent to this condition.

3. A certificate of public convenience and necessity is granted to States Warehouses, 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.

4. In providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations. Failure so to do may result in a cancellation of the operating authority granted by this decision.

- (a) 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.
- (b) Within one hundred twenty days after the effective date hereof, applicant shall establish the service herein authorized in the City of La Mirada and file tariffs, in triplicate, in the Commission's office for that service and tariffs cancelling rates for service at Vernon.
- (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.
- (e) Applicant shall at the direction of the owner of any property remaining in storage at its Vernon warehouse, transport such property to any available public warehouse, at the expense of applicant and at no expense or risk to the owner of the property transported.

5. The certificate of public convenience and necessity granted in ordering paragraph 3, above, shall supersede the prescriptive operative right possessed by State Warehouses, Inc., a corporation, as determined by the Commission's order dated August 9, 1960 in Case No. 6763, which operative right shall be revoked effective concurrently with the effective date of the tariff filings required by paragraph 4(b) hereof.

6. The authority granted in ordering paragraph 1, above, shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco, California, this 8<sup>th</sup> day of APRIL, 1969.

William Symons, Jr.  
President

August

George P. Morrissey  
Richard

Commissioners

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Appendix A

STATES WAREHOUSES, INC.  
(a corporation)

Original Page 1

States 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>Number of Square Feet of Floor Space</u>
La Mirada	85,000

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

Issued by California Public Utilities Commission.

Decision No. 75535, Application No. 50876.