

Decision No. 76745

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 ARTIC COLD STORAGE, INC.)
 to operate a cold storage public utility warehouse; and to issue \$50,000.00 in capital stock.)

Application No. 51518
(Filed November 26, 1969)

O P I N I O N

Artic Cold Storage, Inc., (applicant) seeks a certificate of public convenience and necessity to operate a cold storage public utility warehouse in Santa Fe Springs, Los Angeles County, California.

Applicant's articles of incorporation were filed with the Secretary of State of California on April 16, 1969, and authorize it to issue 2,000 shares at \$100.00 per share par value stock of one class. It proposes to issue 500 of such shares to Sam Vinci in exchange for \$50,000.00 cash to be used for working capital. It has no assets or liabilities. Sam Vinci is its president. The incorporators and first directors were Thomas T. Johnson, Eva D. Burger and Rosemary Scott, all of Los Angeles.

Applicant has a ten-year lease^{1/} on warehouse space, which contains 50,000 square feet, and in addition, has 5,000 square feet of covered dock space and 2,000 square feet of office space. Rental

^{1/} Exhibit No. "C" to the application. The lease is renewable for an additional ten years.

starts at \$4,900.00 per month for the first year and will increase to \$8,737.00 per month for the third through the tenth years. In addition, applicant will pay a percentage of its gross revenues to the lessor.

Applicant alleges that public convenience and necessity require the proposed operation because of the concentration in the area immediately adjoining applicant's proposed location of a large number of chain store and other food processing and handling plants, including 14 listed in the application.^{2/}

Applicant's rates will be those contained in the California Warehouse Tariff Bureau, Cold Storage Warehouse Tariff No. 2-H on file with this Commission.

Applicant alleges that there are no cold storage warehouses within 15 miles of the proposed warehouse.

The Los Angeles Warehousemen's Association was advised of the application. It has informed the Commission in writing that it has no objection to the granting of the authority if the operations are restricted to cold storage.

The application was listed on the Commission's Daily Calendar on December 2, 1969. No objections have been received by the Commission.

Findings

We find that:

1. Applicant is a California corporation organized for the primary purpose of operating a cold storage warehouse.
2. Applicant will lease and use in its operation 50,000 square feet of cold storage warehouse space, plus office and dock space in Santa Fe Springs, California.

^{2/} Exhibit No. "F" to the application.

3. Applicant has the finances necessary to conduct the proposed operation.

4. There is no public utility cold storage warehouse within 15 miles of the applicant's proposed warehouse. Public convenience and necessity require that applicant be granted a certificate of public convenience and necessity as a public utility food storage warehouseman, as defined in Section 239(c) of the Public Utilities Code, for the operation of 50,000 square feet of cold storage space as set forth in Appendix A hereto.

5. Applicant should be authorized to issue 500 shares of its capital stock at the par value of \$100.00 per share to Sam Vinci in exchange for cash in the sum of \$50,000.00 to be used for working cash. 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 such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

6. A public hearing is not necessary.

Conclusion

The Commission concludes that the application should be granted subject to the requirements of the order herein.

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

The Commission shall have no power to authorize the capitalization of the right to be a corporation, or the capitalization of any franchise or permit, or the right to own, operate, or enjoy any such franchise or permit, in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, permit, or right. No contract for consolidation or lease shall be capitalized, nor shall any public utility issue any bonds, notes, or other evidences of indebtedness against or as a lien upon any contract for consolidation or merger.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Artic Cold Storage, Inc., a corporation, as a warehouseman, as defined in Section 239(c) 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. Applicant, within 60 days after the effective date hereof, may issue not to exceed 500 shares of its capital stock at the par value of \$100.00 per share to Sam Vinci in exchange for cash for the purpose set forth in the opinion herein.

3. 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 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.

4. Applicant shall comply with the regulations of the California Department of Public Health concerning hazardous or toxic commodities and shall include in its tariff a rule reading substantially as follows:

Hazardous or Toxic Commodities:

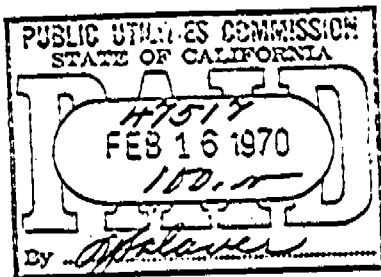
The warehouseman will not be required to accept for storage any commodity of a toxic nature which could contaminate other commodities in storage or be hazardous to the health of warehouse personnel. At warehouseman's option such hazardous or toxic commodities, when properly packaged and labeled to reduce contamination and health hazard to a minimum, may be accepted for storage in an area isolated from other commodities subject to contamination. Any additional services in the way of warehouse labor or excessive use of space arising from isolation of such commodities will be charged to the storage account.

5. The authority herein granted to issue stock will become effective when applicant has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$100.00.

6. Applicant 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, except for the authority to issue stock, be twenty days after the date hereof.

Dated at San Diego, California, this 3rd day of FEBRUARY, 1970.



William J. ...
President

[Signature]

[Signature]

[Signature]
Commissioners

Commissioner A. W. Gator, being necessarily absent did not participate in the disposition of this proceeding.

Artic Cold Storage, 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 warehouseman for the operation of freezer and cooler storage warehouse floor space as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
Santa Fe Springs, California	50,000

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

Issued by California Public Utilities Commission.

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