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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CONSOLIDATED CALIFORNIA TERMINALS, INC., a corporation, for a certificate of public convenience and necessity to operate a warehouse in the City of Stockton, County of San Joaquin, State of California.

Application No. 51460
(Filed November 5, 1969)

Raymond Greene, for applicant.
Marquam C. George, for Anderson Cartage and Pacific Storage Company, protestants, and Fort Sutter Warehouse Co. and Western Warehouse, interested parties.
Peter N. Kujachich, for the Commission staff.

O P I N I O N

Consolidated California Terminals, Inc., presently conducting operations as a public utility warehouseman in San Jose, requests a certificate of public convenience and necessity authorizing operations as a public utility warehouseman in 200,000 square feet of space in the City of Stockton.

Public hearing was held in San Francisco and Stockton before Examiner Daly with the matter being submitted on May 19, 1970.

Applicant has been operating a trucking and warehouse operation in the City of San Jose for several years. It is presently authorized to conduct public utility warehouse operations in 120,000 square feet of space.

If the authority herein sought is granted, applicant proposes to enter into an arrangement with a contractor whereby the contractor will acquire land in Stockton and construct a single-story concrete, tilt-up type of building, 30 feet high, equipped

with sprinklers and dock-high rail and truck doors. Said property would then be leased to applicant. As of September 30, 1969, applicant indicated a net worth in the amount of \$34,135.

It is alleged that by reason of its past operations, applicant has gained the expertise and experience necessary to maintain and operate a warehouse operation which is responsive to the needs of the general public; applicant has received a substantial number of requests from various companies asking it to institute a warehouse operation in the City of Stockton; as a result of said requests applicant conducted a survey, the results of which indicate that a need exists for additional space in Stockton; the City of Stockton is the scene of significant redevelopment especially along business and commercial lines; many companies have or are in the process of locating points of supply and distribution in Stockton not only because of availability to the Port of Stockton, but because of the increasing growth of population in the entire San Joaquin area; the requests for service in Stockton closely approximate the space requested by applicant; many of the companies are either warehousing their own products or are warehousing at other sites geographically removed from Stockton; and both of these alternatives cause undue expense and inconvenience.

Four public witnesses testified in support of the application. Their testimony is summarized as follows:

(1) George J. Duncan

Company representative for Finer Chrome Products Inc., which is engaged in the manufacture and distribution of home bars, stools and a line of commercial seating. Presently uses applicant's warehouse service in San Jose

and is very satisfied with the service. Serves his Valley accounts from the San Jose warehouse. Would prefer a Stockton warehouse for this purpose, but was informed by the Retail Furniture Association in September 1969 that public warehouse space in Stockton was limited.

(2) Hugh T. James

District Traffic Supervisor for Continental Can Co. in San Francisco. Presently using applicant's service in San Jose. Containers are bulky and light. Requires an overhead of 30 feet. For approximately four to six months each year requires 20,000 square feet of storage space in Stockton for the storage of fiber drums. Has previously used the facilities of a manufacturing plant in Stockton, but the plant was sold in September 1969, and other space must be found in Stockton this year.

(3) Paul Marchese

Marchese Bros. Inc., San Jose. Engaged in the import of vinegar and wine. Presently uses 7,000 square feet of space in San Jose. Distributes throughout California and could use 5,000 square feet of space in Stockton, although he has never checked the availability of space in Stockton. Would use the proposed facilities of applicant if authorized.

(4) James M. Park

San Joaquin County Economic Development Association. Had previously been associated with the Stockton Chamber of Commerce. Has been contacted by six companies with

respect to the availability of warehouse space in Stockton. Their requirements varied from 20,000 square feet of space to 50,000 square feet of space. As a result of these inquiries the witness made a check of available space and discovered that all suitable space for his clients was filled with agricultural products during the agricultural season. Because his clients require year-round service the existing facilities in Stockton were not satisfactory.

In opposition to the granting of the application the president of Anderson Cartage testified that his company is presently conducting a public utility warehouse service in 24,000 square feet of space in the City of Stockton; that the facilities consist of a wooden-frame iron-clad building with 16 feet of clearance; that the company, which is primarily engaged in the trucking business, serves eight accounts and for the past several years has been operating at 50% of capacity; that the Stockton area is primarily served by warehouse facilities in Sacramento, Modesto and the San Francisco Bay area; and that if there had been a demand for additional space his company would have been willing to provide it.

A representative for the Fort Sutter Warehouse in Sacramento, which appeared as an interested party, testified that according to a study he made the Sacramento and San Joaquin Valleys are served by warehouses located at Sacramento and Fresno as primary points and that there is no economic need for warehouses at intermediate points.

After consideration the Commission finds that:

1. Applicant is presently conducting warehouse operations in San Jose and wishes to extend its service to the City of Stockton.

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2. Applicant is presently serving customers in San Jose who have a need for the type of service in the Stockton area as herein proposed.

3. There is a heavy demand upon existing warehouse facilities during the agricultural season.

4. The existing facilities of Anderson Cartage would not adequately meet the needs of applicant's customers to the extent that they require storage in excess of sixteen feet height.

5. Applicant possesses the necessary experience and financial ability to conduct the proposed service.

6. Public convenience and necessity require the proposed service.

The Commission therefore concludes that the application should be granted.

Applicant 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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Consolidated California Terminals, 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.

2. 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.

3. 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.

4. The certificate of public convenience and necessity granted in paragraph 1 shall supersede the certificate of public convenience and necessity granted by Decision No. 75621, which certificate is revoked effective concurrently with the effective date of the tariff filings required by paragraph 2 hereof.

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

Dated at Los Angeles, California, this 23rd day of JUNE, 1970.

William J. Quinn, Jr.
President
Augustin
W. H. Brown
W. A. Brown
Verna L. Stinson
Commissioners

Consolidated California Terminals, Inc., is authorized to operate 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 follows:

<u>Location</u>	<u>No. of Square Feet of Floor Space</u>
San Jose	120,000
Stockton	(1)200,000

(1) Does not include cold storage or refrigerated commodities.

(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.

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