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ORIGINAL

Decision No. 77791

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:
VELTMAN WAREHOUSE CO., a corporation,
to transfer to SHIPPERS TERMINAL CO.
OF CALIFORNIA, INC., a corporation,
a certificate of public convenience
and necessity to operate as a public
warehouseman.

Application No. 52091
(Filed July 30, 1970)

O P I N I O N

This is an application for an order of the Commission authorizing Veltman Warehouse Co., a corporation, hereinafter called Veltman, to transfer its suspended warehouse right to Shippers Terminal Co. of California, Inc., a corporation, hereinafter called Shippers, and to authorize a change in warehouse location from Vernon to Los Angeles.

Veltman is a corporation duly organized and existing under and by virtue of the laws of the State of California. A copy of Veltman's Articles of Incorporation were filed with this Commission in Application No. 46749.

On or about July 28, 1964, this Commission in its Decision No. 67607 authorized the sale and transfer to Veltman of a certificate of public convenience and necessity authorizing operations as a public warehouseman in the City of Vernon, California, with said authorized space being set at 162,602 square feet. On or about December 23, 1969, this Commission in Decision No. 76602 in Application No. 51516 suspended the above-entitled certificate until December 31, 1970, at the specific request of Veltman. Such suspension was voluntary on the part of Veltman and did not result from any violation of any rule or regulation of this Commission.

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Veltman now proposes to reactivate the certificate hereinabove referred to prior to December 31, 1970, and sell and transfer it to the applicant buyer herein, Shippers.

Shippers is a California corporation. Its articles of incorporation were filed as a part of Application No. 52091.

All of the stock in both Veltman and Shippers is owned by Raymond M. Veltman, an individual, who is experienced in warehouse operations and the principal officer of both corporations.

The certificate to be transferred authorizes operation of 162,602 square feet of storage space as a public warehouse in the City of Vernon, California. The Vernon city limits start where Los Angeles ends. Shippers is located in Los Angeles and has requested that the warehouse location be moved there.

A copy of the application was served upon the Los Angeles Warehousemen's Association. No protest has been received. A public hearing is not necessary.

After consideration the Commission is of the opinion and finds that public convenience and necessity require that the Veltman operating authority be reinstated; that the location of the warehouse be moved from Vernon to Los Angeles and that the transfer be authorized. The order which follows will provide for, in the event the transfer is consummated, the revocation of the certificate presently held by Veltman and the issuance of a certificate in appendix form to Shippers.

Shippers Terminal Co. of California, 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.

O R D E R

IT IS ORDERED that:

1. The suspension of the operating right of Veltman Warehouse Co. imposed by Decision No. 76602, dated December 23, 1969 (in Application No. 51516), is hereby vacated and set aside.
2. The right to operate as a public utility warehouseman in Vernon, granted by Decision No. 67607, dated July 28, 1964, in Application No. 46749 is hereby amended to provide that the warehouse operation be moved to Los Angeles, in place of Vernon.
3. On or before November 1, 1970, Veltman Warehouse Co. may sell and transfer, and Shippers Terminal Co. of California, Inc. may purchase and acquire, the operative rights and property referred to in the application.
4. Within thirty days after the consummation of the transfer herein authorized, purchaser 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. Purchaser 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. Failure to comply with and observe the provisions of General Order No. 61-A may result in a cancellation of the operating authority granted by this decision.

6. On or before the end of the third month after the consummation of the transfer as herein authorized, purchaser shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the 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. In the event the transfer authorized in paragraph 1 hereof is consummated, a certificate of public convenience and necessity is granted to Shippers Terminal Co. of California, Inc., a corporation, authorizing it 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 set forth in Appendix A attached hereto and made a part hereof.

8. The certificate of public convenience and necessity granted in paragraph 7 of this order shall supersede the operating right acquired by Decision No. 67607, which operating right is revoked effective concurrently with the effective date of the tariff filings required by paragraph 5 hereof.

9. Applicants shall at the direction of the owner of any property remaining in storage at the Vernon location transport such property to the Los Angeles location or any available public utility warehouse in the vicinity of Vernon at the expense of applicants and at no expense or risk to the owner of the property transported.

10. Within thirty days after the transfer herein authorized is consummated, purchaser shall file a written acceptance of the certificate herein granted. Purchaser 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.

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

Dated at San Francisco, California, this 6th
day of OCTOBER, 1900

[Signature]
Chairman
[Signature]
William J. Quinn
[Signature]
Vernon L. Steeger
Commissioners

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Appendix A

Shippers Terminal Co.
of California, Inc.

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Shippers Terminal Co. of California, 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 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>
Los Angeles	162,602

(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. 77791, Application No. 52091.