

Decision No. 79594

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 MERCHANTS REFRIGERATING COMPANY OF)
 CALIFORNIA, a corporation, for a)
 certificate of public convenience)
 and necessity authorizing extension)
 of operations as a cold storage)
 warehouseman at Salinas, California.)

Application No. 53001
 (Filed November 15, 1971)

O P I N I O N

Merchants Refrigerating Company of California is a California corporation engaged in business as a public utility warehouseman at Salinas, Modesto and Santa Clara, in the cold storage of food commodities. It was authorized to operate a warehouse of 24,500 square feet of floor space at Salinas by Decision No. 65469, dated May 28, 1963, in Application No. 45235. This right was restated along with applicant's other warehouse operative rights in Decision No. 77733, dated September 15, 1970, in Application No. 52183. After expansions of its storage facilities in 1965 and 1967, applicant is currently operating in 60,000 square feet of warehouse floor space in Salinas. It proposes to construct additional warehouse space to provide an additional 80,000 square feet of floor space, which will result in its operating a total of 140,000 square feet of warehouse space at Salinas. The amount of proposed warehouse space is 115,500 square feet in excess of that authorized under its present certificate of public convenience and necessity. It here seeks a certificate from the Commission declaring that public convenience and necessity require such additional warehouse floor space.¹

¹ Section 1051, Public Utilities Code, in part, "No such warehouseman shall add to, extend, or otherwise increase his storage or warehouse floor space by more than 50,000 square feet, without first having obtained from the Commission a certificate declaring that public convenience and necessity require or will require such addition or extension or increase of such storage or warehouse floorspace ..."

Applicant proposes to construct a single-story warehouse building of reinforced concrete construction, with a 21-foot piling height, adjacent to its present warehouse on property owned by it and known as 950 South Sanborn Road, Salinas. The estimated cost of the proposed facilities is \$1,500,000, which applicant will furnish itself with the assistance of its parent company, Pet Incorporated. The latter will advance to applicant such moneys as may be required. No promissory note or deed of trust will be issued by applicant in connection with the proposed construction.

Applicant's presently applicable rates for warehousing at Salinas will be applicable to the new facilities. Applicant's warehouse is presently the only public utility cold storage warehouse in Salinas, and it is asserted that its present customers have need of additional space and have asked applicant to expand its facilities.

A copy of the application was served upon Pacific States Cold Storage Warehousemen's Association. Notice of the filing of the application appeared in the Commission's Daily Calendar of November 16, 1971. No protests have been received. Public convenience and necessity require the additional warehouse floor space to permit applicant to operate in Salinas a total warehouse floor space of 140,000 square feet. A public hearing is not necessary. The application should be granted. The order which follows will provide for the amendment of the certificate of public convenience and necessity granted by Decision No. 77733 to provide for the operation of a total of 140,000 square feet of warehouse space at Salinas.

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 Merchants Refrigerating Company of California, a corporation, as a public utility warehouseman, as defined in Section 239(b) of the Public Utilities Code, for the operation of 115,500 additional square feet of warehouse space at Salinas.

2. Appendix A of Decision No. 77733, in Application No. 52123, is amended by incorporating First Revised Page 1, attached hereto, in revision of Original Page 1.

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

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

Dated at San Francisco, California, this 11th day of JANUARY, 1972.

[Signature]
 Chairman

[Signature]
 Commissioner

[Signature]
 Commissioner

[Signature]
 Commissioner

NB

Appendix A
(Dec. 77733)

MERCHANTS REFRIGERATING
COMPANY OF CALIFORNIA
(a corporation)

First Revised Page 1
Cancels
Original Page 1

Merchants Refrigerating Company of California, 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>Number of Square Feet of Floor Space</u>
Salinas	140,000 ⁽¹⁾
Modesto	146,403
Santa Clara	145,440

(1) Limited to cold storage warehouse floor space only.

(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.

Amended by Decision No. 79594, Application No. 53001.