

Decision No. 80466

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

(a) USCO SERVICES, INC., a corporation, to purchase, and KEENEYCO, INC., a corporation, to sell, public utility warehouse operating authority, pursuant to Section 851, et seq., and Section 1052 of the California Public Utilities Code; and upon approval thereof,

(b) To operate as a public warehouseman in Santa Ana, California; and

(c) For authorization to cease operations at Vernon, California, and

(d) To extend or increase storage or warehouse floor space from 5,000 square feet to 100,000 square feet pursuant to Section 1051 of the California Public Utilities Code.

Application No. 53474
(Filed July 20, 1972)

O P I N I O N

Keeneyco, Inc. requests authority to sell and transfer, and USCO Services, Inc. requests authority to purchase and acquire, a certificate of public convenience and necessity authorizing operations as a public utility warehouseman in 5,000 square feet of floor space in Vernon. Applicant purchaser also requests that upon approval of the transfer the authority to operate pursuant to said certificate be transferred to Santa Ana and that the authorized space be increased from 5,000 square feet to 100,000 square feet.

The certificate was granted by Decision No. 78049, dated December 8, 1970, in Application No. 52229. The agreed cash consideration is \$7,500.

Applicant purchaser is presently operating as a public utility warehouseman in Vernon and San Francisco and as of May 28, 1972, indicated a net worth in the amount of \$1,144,525.

It is alleged that applicant purchaser is able to take care of the present storers at Vernon in its existing warehouse; that none of applicant seller's storers have any objection to the discontinuance of applicant seller's operations at Vernon; that there is no existing public utility warehouseman in Santa Ana; that applicant purchaser has received numerous requests from storers for service at Santa Ana; and that applicant purchaser has an option to lease certain real property with three buildings having a total of 356,000 square feet of space, of which approximately 150,000 square feet of space are available and adapted to public warehouse use.

A copy of the application was served upon the Los Angeles Warehousemen's Association. No protest has been received.

After consideration the Commission finds that:

1. The proposed transfer would not be adverse to the public interest.
2. Public convenience and necessity no longer require the operation of Keeneyco, Inc. in Vernon.
3. Public convenience and necessity require the operation of USCO Services, Inc. as a public utility warehouseman in 100,000 square feet of space in Santa Ana.

The Commission concludes that the application should be granted subject to the condition that Keeneyco, Inc. shall pay the cost of moving the property of its present customers to a warehouse of its customers' choice within the Vernon area.

USCO Services, 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, these 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. On or before December 1, 1972, and upon the condition that Keeneyco, Inc. shall pay the cost of moving the property of its present customers to a warehouse of its customers' choice in the Vernon area, Keeneyco, Inc. may sell and transfer, and USCO Services, Inc. may purchase and acquire, the operative rights referred to in the application.
2. 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.
3. 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.

4. 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.

5. In the event the transfer authorized in paragraph 1 hereof is consummated, a certificate of public convenience and necessity is granted to USCO Services, 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.

6. The certificate of public convenience and necessity granted in paragraph 5 of this order shall supersede the certificates of public convenience and necessity granted by Decision No. 78049, dated December 8, 1970, in Application No. 52229 and Decision No. 76906, dated March 10, 1970, in Application No. 51648, which certificates are revoked effective concurrently with the effective date of the tariff filings required by paragraph 3 hereof.

7. 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 31st day of AUGUST, 1972.

James L. Stinson
President
William J. Lyons Jr.
Mr. [Signature]
[Signature]
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

USCO Services, 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>Number of Square Feet of Floor Space</u>
Vernon	5,000
San Francisco	25,000
Santa Ana	100,000

(The floor space shown 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. 80466, Application No. 53474.