

Decision No. 81279**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 H. G. CHAFFEE COMPANY, a corporation,)
 to transfer to, and of M.A.P. WAREHOUSE)
 AND TRUCKING COMPANY, a corporation,)
 to acquire, a public utility warehouse)
 prescriptive right and operation at)
 Los Angeles, California.)

Application No. 53868
 (Filed February 28, 1973)

O P I N I O N

H. G. Chaffee Company, a corporation, requests authority to sell and transfer, and M.A.P. Warehouse and Trucking Company, doing business as Chaffee Warehouse and Trucking Company, requests authority to purchase and acquire, a prescriptive right authorizing operations as a public utility warehouseman in 65,000 square feet of storage space in the city of Los Angeles.

Applicant buyer is a newly formed corporation, the stock of which is owned by Mark A. Papaleo, his wife, Angie Papaleo, and his son, Marc A. Papaleo. Mark A. Papaleo is also general manager and the owner of 152-1/2 shares of stock of applicant seller. As the result of a stock redemption agreement dated October 1, 1972, Mark A. Papaleo surrendered his stock interest in applicant seller in consideration for its warehouse and trucking operations. A value of \$67,987 is placed upon the stock surrendered.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest and concludes that it should be authorized. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is consummated, the revocation of the prescriptive right presently held by H. G. Chaffee Company and the issuance of a certificate in appendix form to M.A.P. Warehouse and Trucking Company.

M.A.P. Warehouse and Trucking Company is 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, 1973, H. G. Chaffee Company may sell and transfer, and M.A.P. Warehouse and Trucking Company may purchase and acquire, the operative rights and property 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 M.A.P. Warehouse and Trucking Company, 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 prescriptive right herein considered which is 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 17th day of APRIL, 1973.

Vernon L. Sturgeon
President
William Symons, Jr.
[Signature]
[Signature]
Commissioners

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

M. A. P. Warehouse and Trucking Company, 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>
Los Angeles	65,000

(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.

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