

ORIGINAL

Decision No. 81308

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DORWARD BULK STORAGE COMPANY, INC.,
a California corporation, for a
certificate of convenience and
necessity authorizing operations as
a public warehouseman at Richmond,
California.

Application No. 53883
(Filed March 9, 1973)

O P I N I O N

Dorward Bulk Storage Company, Inc. requests a certificate of public convenience and necessity to operate as a public utility warehouseman for the storage of crude coconut oil in a 3,200,000 pound storage tank located in the city of Richmond.

Applicant proposes to sublease a storage tank from its affiliate, Dorward & Sons Co. The tank is a vertical mild steel tank with steel bottom and cone roof. It is 29 feet high and 95.97 feet in diameter and has a capacity of 1,600 short tons or 3,200,000 pounds. The tank is on a spur track and is served by Southern Pacific Railway and Santa Fe Railway.

Applicant proposes to accept for storage crude coconut oil which is to be subsequently traded on the Pacific Commodities Exchange. Applicant proposes to issue negotiable warehouse receipts registered with the Pacific Commodities Exchange.

It is alleged that the exchange has invited applicant to apply for a Declaration of Regularity to store crude coconut oil for trading on the exchange, which applicant has done; and that Richmond is a major destination point for shipments of crude coconut oil imported from exporters in the Pacific Basin and Southeast Asia.

As of January 31, 1973 applicant indicated a net worth in the amount of \$31,600.

After consideration the Commission finds that public convenience and necessity require the granting of the application. A public hearing is not necessary.

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 Dorward Bulk Storage Company, Inc. as a public utility warehouseman, as defined in Section 239(b) of the Public Utilities Code, for the operation of storage 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.

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

Dated at San Francisco, California, this 24th day of APRIL, 1973.

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

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

Dorward Bulk Storage Company, Inc., 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 storage of crude coconut oil in bulk as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
Richmond	7500

(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. 81308, Application No. 53883.