

ORIGINAL

Decision No. 82415

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THOMPSON BROS., INC., a corporation, dba the DODD WAREHOUSES: THOMPSON BROS. FREIGHT FORWARDING CO., INC., a corporation and THOMPSON DEPUE, INC., a corporation for authority to sell equipment, to sell a warehouseman certificate of public convenience and necessity, to sell a warehouseman prescriptive operating right to NORTHERN CALIFORNIA WAREHOUSE, INC., a corporation, and for authority of NORTHERN CALIFORNIA WAREHOUSE, INC. to issue stock and to assume obligations, or in the alternative, to enter into a new contract for the assumption of liabilities.

Application No. 54578
(Filed January 16, 1974)

O P I N I O N

Thompson Bros., Inc., doing business as Dodd Warehouses (TBI), Thompson Bros. Freight Forwarding Co., Inc. (TBFF), and Thompson DePue, Inc. (TDI) request authority to sell and transfer and Northern California Warehouse, Inc. (purchaser) requests authority to purchase and acquire the following:

1. TBI to sell to purchaser its certificate of public convenience and necessity granted by Decision No. 80114 in Application No. 53292 authorizing operations in 120,000 square feet of storage space in Hayward, and its prescriptive rights authorizing public utility warehouse operations in San Francisco.

2. TBI to sell to purchaser certain property including tractors, trailers, warehouse equipment, and office equipment.

3. TBFF to sell to purchaser certain tractors, trailers, warehouse equipment, office equipment, and/or certain leasehold improvements.

4. TDI to sell to purchaser certain tractors, trailers, warehouse equipment, office equipment, and/or leasehold improvements.

Applicant purchaser also requests authority for a voluntary suspension of the operation at San Francisco for a period of one year, and to issue 1,000 shares of its \$50 par value capital stock and to assume obligations, or in the alternative, to enter into a new contract for the assumption of liabilities.

TBFF and TDI are wholly owned subsidiaries of TBI and own certain operating equipment used in the public utility services provided by TBI, including tractors, trailers, warehouse equipment, and office equipment as set forth in a copy of the sales agreement attached to the application as Appendix C. The agreed cash consideration for the operating authority is \$21,000, and the agreed cash consideration for the equipment is \$184,913.91, less the following deductions:

1. The remaining balance due on tractors under a Retail Installment Contract, which amounted to \$55,575 as of October 31, 1973;

2. The amount of \$75,000 covered by a promissory note, owed by applicant sellers to a payee company having the same parent company as applicant purchaser, if such is agreeable to payee; and

3. The amount of \$25,000 to be withheld for a period of 90 days pending settlement of possible claims.

Applicant purchaser is not presently engaged in any business activity. It is alleged that its present directors and officers have a total of approximately 50 years' experience in public warehousing, and its proposed manager and assistant have an additional 32 years' experience in this field. As of December 31, 1973, applicant purchaser indicated a net worth in the amount of \$50,000. It further alleges that the present location of TBI's warehouse in San Francisco is being temporarily phased out and the requested suspension period is necessary in order for it to find a suitable location to set up its warehouse operation.

After consideration the Commission finds that the proposed transfer of the operative rights involved in this proceeding, and the suspension of operations at San Francisco would not be adverse to the public interest and concludes that it should be authorized. We find with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is completed, the revocation of the certificate presently held by Thompson Bros., Inc., doing business as Dodd Warehouses, and the issuance of a certificate in appendix form to Northern California Warehouse, Inc.

We further find that the proposed security issue is for proper purposes and that the money, property, or labor to be procured or paid for by the issue of the security authorized by this decision is reasonably required for the purposes specified, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

The authorization granted shall not be construed as a finding of the value of the rights and properties authorized to be transferred.

Northern California Warehouse 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, 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. On or before December 1, 1974, Thompson Bros., Inc., doing business as Dodd Warehouses, Thompson Bros. Freight Forwarding Co., Inc., and Thompson DePue, Inc. may sell and transfer the operative rights and property referred to in the application to Northern California Warehouse, Inc.

2. Within thirty days after the transfer the purchaser shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.

3. Purchaser shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations transferred to show that it has adopted or established, as its own, the rates and rules. The tariff filings shall be made effective not earlier than two days after the effective date of this order on not less than two days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the transfer. 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-Series. Failure to comply with the provisions of General Order No. 61-Series 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 transfer the 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 year to and including the effective date of the transfer.

5. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 3, a certificate of public convenience and necessity is granted to Northern California Warehouse, 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. Northern California Warehouse, Inc. is further authorized to suspend operations at San Francisco until February 1, 1975.

6. The certificate of public convenience and necessity granted by Decision No. 80114 as well as the prescriptive authority to operate in San Francisco are revoked effective concurrently with the effective date of the tariff filings required by paragraph 3.

7. Purchaser shall maintain its accounting records in conformance with any applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission, and each year shall file with the Commission an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

8. Northern California Warehouse, Inc. may issue \$50,000 of its capital stock.

9. The issuer of the securities authorized by this order shall file with the Commission a report, or reports, as required by General Order No. 24-Series.

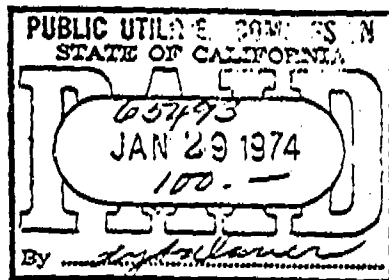
10. Applicant seller shall, at the direction of the owner of any property in storage at its warehouse in San Francisco, transport such property to any available public utility warehouse in the vicinity of San Francisco at the expense of applicant seller and at no expense or risk to the owner of the property transported.

The authority granted by this order to issue stock will become effective when the issuer has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$100. In other respects the effective date of this order is the date hereof.

Dated at San Francisco, California, this 29th day of JANUARY, 1974.

Vernon L. Stevenson
President
William J. Gurnea, Jr.
Alvin M. ...
...
Commissioners

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



Northern California Warehouse, 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 operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
Hayward	120,000
(1) City and County of San Francisco	102,000
(1) Operation suspended until February 1, 1975.	

(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. 82415, Application No. 54578.