

ORIGINAL

Decision No. 84236

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

a)
Spreneff, Inc., a California corporation, doing business as Air Speed Systems, to purchase, and Storecenter, Inc., a California corporation, to sell, public utility 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 warehouse in Commerce, California; and

c)
For authorization to cease operations at Vernon, California.

Application No. 55477
(Filed February 3, 1975)

O P I N I O N

Storecenter, Inc., a California corporation, requests authority to sell and transfer, and Spreneff, Inc., a California corporation, requests authority to purchase a certificate of public convenience and necessity authorizing operations as a public utility warehouseman. Applicant purchaser also requests authority to transfer said warehouse operation from the city of Vernon to the city of Commerce and to increase the authorized floor space from 8,000 square feet to 50,000 square feet.

The certificate was granted by Decision No. 73446 dated December 5, 1967 in Application No. 48980 and authorizes operations in 8,000 square feet of floor space in the city of Vernon.

Applicant purchaser proposes to transfer the Vernon operations to the city of Commerce where it has available, under a long-term lease, two warehouse buildings having a total of 55,000 square feet of space which is available and adapted to public warehouse storage. Applicant purchaser proposes to assess the same rates and charges as those presently being charged by applicant seller. As of September 30, 1974 applicant purchaser indicated a net worth in the amount of \$45,947.

The agreed consideration is \$8,500 payable as follows: \$3,000 upon execution of the agreement and the balance of \$5,500 to be secured by a promissory note, with the sum of \$2,500 due and payable on March 31, 1975 and the sum of \$3,000 plus interest at the rate of 6 percent due and payable on January 1, 1976.

It is alleged that applicant purchaser and its predecessor, Air Speed Systems, a partnership, have been operating as a highway contract carrier within the State for more than seven years and have had considerable experience in the handling and holding of freight of all kinds under conditions comparable to the storage and warehousing of general commodities; that applicant purchaser has had numerous requests from its customers for service at Commerce; that the facilities of applicant seller are not being utilized at this time; and that no provisions are necessary for the transfer of storers' property to other public utility warehousemen in the immediate area.

Copies of the application were served upon public utility warehousemen presently operating in the cities of Commerce and Vernon. 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 applicant seller's operations as a public utility warehouseman in the city of Vernon.

3. Public convenience and necessity require the services of applicant purchaser as a public utility warehouseman in 50,000 square feet of floor space in the city of Commerce.

4. We find with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

The Commission concludes that the application should be granted. 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 applicant seller and the issuance of a certificate in appendix form to applicant purchaser.

Spreneff, Inc. 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, 1975, Storecenter, Inc. may sell and transfer the operative rights referred to in the application to Spreneff, Inc.

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

3. Applicant 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 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 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. 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 Spreneff, Inc. 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.

5. The certificate of public convenience and necessity granted by Decision No. 73446 is revoked effective concurrently with the effective date of the tariff filings required by paragraph 3.

6. Applicant purchaser is placed on notice that, if it accepts the certificate, 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 25th
day of MARCH, 1975.

Vernon L. Stinson
President

William Synovitz

[Signature]

Leonard Voss
Commissioners

SPRENEFF, INC.
(a California corporation)
doing business as
AIR SPEED SYSTEMS

Spreneff, Inc., a California corporation, dba Air Speed Systems, 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>
Commerce	50,000

(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. 84236, Application No. 55477.