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ORIGINAL

Decision No. 84465

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of STOCKTON REFRIG-)
ERATING COMPANY for authorization)
to transfer its Prescriptive)
Operative Rights to operate as a)
public utility cold storage ware-)
houseman to CCG REFRIGERATION,)
INC., a California corporation)
and application of CCG REFRIG-)
ERATION, INC. to operate the)
same public utility cold storage)
plant under Certificate of Con-)
venience and Necessity at)
Stockton, California.)

Application No. 55535
(Filed March 4, 1975)

OPINION AND ORDER

Stockton Refrigerating Company (Stockton Refrigerating), a corporation, operates as a public utility warehouseman at Stockton. CCG Refrigeration, Inc. (CCG), a corporation, operates as a public utility warehouseman at Santa Clara. By this application, Stockton Refrigerating desires to transfer, and CCG to acquire, the operative right for storage or warehouse floor space at Stockton.

According to the application, CCG is a wholly owned subsidiary of California Cannery and Growers, Inc., a nonprofit cooperative association duly organized under the laws of California. CCG proposes to operate the Stockton warehouse facility as a public cold storage warehouse subject to a partial restriction of public trade during the months of July, August and September in order to provide storage for its parent company, California Cannery and Growers, Inc. This sought partial restriction of public trading is similar to that which was previously authorized for CCG's facility at Santa Clara. California Cannery and Growers, Inc. will take an assignment of Stockton Refrigerating's existing lease on

A. 55535 - ANV

the subject premises and will sublet the subject premises to CCG for a monthly rental fee of \$6,802, which is the same as the rent it will pay to the landlord.

Applicants allege that California Cannery and Growers, Inc. is already the largest customer of Stockton Refrigerating and the additional warehouse facility at Stockton would enable CCG to make more efficient use of its management personnel and assure the continuation of adequate service to customers involved. Subject to approval of the transfer, CCG will purchase certain assets, mainly operating equipment of Stockton Refrigerating for \$5,723 in cash. CCG was incorporated in 1974 and its October 28, 1974 balance sheet shows a net worth of \$128,078 and a projected operating revenue of \$194,700 for 1975 with a net income of \$2,850.

After consideration, the Commission finds that the proposed transfer would not be adverse to the public interest and, with reasonable certainty, 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 certificates presently held by Stockton Refrigerating Company and CCG Refrigeration, Inc. and the issuance of a certificate in appendix form to CCG Refrigeration, Inc. combining the operative rights in Santa Clara and Stockton.

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

CCG Refrigeration, 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 cancelled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

IT IS ORDERED that:

1. On or before October 1, 1975, Stockton Refrigerating Company may transfer the operative right and property referred to in the application to CCG Refrigeration, Inc.
2. Within thirty days after the transfer applicant 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 one day after the effective date of this order on not less than one day's 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 CCG Refrigeration, Inc., a corporation, authorizing it to operate as a public utility warehouseman, as defined in Sections 239(b) and 239(c) 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.

6. The certificates of public convenience and necessity granted by Decisions Nos. 81489 and 83644 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.

The Secretary is directed to cause service of certified copies of the order to be made upon Stockton Refrigerating Company and CCG Refrigeration, Inc. or to mail certified copies thereof to them at their last known addresses as shown in the Commission's records and to mail a copy of this order to Jack L. Dawson, Agent.

A. 55535 - ANV

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 28th day of
May, 1975.

President
William S. ...

Leonard ...

Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.

CCG Refrigeration, 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 Sections 239(b) and 239(c) of the Public Utilities Code for the operation of storage or warehouse floor space as follows: (See Note)

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
(1) Santa Clara	32,865
(2) Stockton	40,000
(1) Authorized at this location to perform service under Section 239(c).	
(2) Authorized at this location to perform service under Sections 239(b) and 239(c) and space restricted to agricultural products and general food commodities.	

Note: Subject to a partial restriction of public trade during the months of July, August and September in order to accommodate the storage of cannery fruit by its parent company, California Cannery and Growers, Inc. at both locations.

(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. 84465, Application No. 55535.