

Decision No. 86131

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)

(a) KIN-WOOD WAREHOUSE SERVICES OF)
 CALIFORNIA, INC., a California)
 corporation, for authority to issue)
 and sell 70 shares of its no par)
 capital stock to KIN-WOOD ASSOCIATES,)
 INC., a Georgia corporation, and)
 HARRY F. CLARKE; and)

Application No. 56570
 (Filed June 17, 1976)

(b) KIN-WOOD WAREHOUSE SERVICES OF)
 CALIFORNIA, INC., a California)
 corporation, to purchase, and DAVIES)
 WAREHOUSE COMPANY, a corporation, to)
 sell, its prescriptive and certificated)
 public utility warehouseman authorities;)
 and)

(c) KIN-WOOD WAREHOUSE SERVICES OF)
 CALIFORNIA, INC., to issue its)
 Promissory Note to DAVIES WAREHOUSE)
 COMPANY; and)

(d) To operate as a public warehouseman)
 in Santa Fe Springs, Calif.; and)

(e) To cease at Mira Loma, California;)
 and)

(f) To continue operations at Los)
 Angeles, California.)

O P I N I O N

Davies Warehouse Company seeks authority to sell and transfer its public utility warehouseman prescriptive operative rights and certificate of public convenience and necessity to

Kin-Wood Warehouse Services of California, Inc., and the latter seeks authority to issue and sell 7,000 shares of its \$1 par value capital stock and to change the location of the certificated operations from Mira Loma in Riverside County to Santa Fe Springs in Los Angeles County.

According to the verified application, Davies Warehouse Company is a California corporation operating as a public utility warehouseman in the City of Los Angeles under prescriptive rights and at Mira Loma pursuant to the certificate of public convenience and necessity granted by Decision No. 72455, dated May 23, 1967, in Application No. 49136. It desires to transfer for \$5,000 said rights and certificate to Kin-Wood Warehouse Services of California, Inc., a California corporation incorporated on May 17, 1976, and having John Kinnick as its president.

Kin-Wood Warehouse Services of California, Inc. proposes to issue and sell to Kin-Wood Associates, Inc. and Harry F. Clarke 6,300 shares and 700 shares, respectively, of its capital stock, and to use the \$7,000 proceeds for working capital. The verified application shows that Kin-Wood Associates, Inc. is a Georgia corporation having John Kinnick as its majority stockholder, the latter having had in excess of 16 years of public warehousing operational experience.

After consideration of the verified application the Commission finds that:

1. The proposed transfer would not be adverse to the public interest.
2. Public convenience and necessity no longer require public utility warehouseman operations at Mira Loma under the certificate granted by Decision No. 72455.

3. Public convenience and necessity require additional warehouse facilities at Santa Fe Springs.
4. The proposed stock issue would be for a proper purpose.
5. The money, property or labor to be procured or paid for by the stock herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
6. There is no known opposition and there is no reason to delay granting the relief requested.

On the basis of the foregoing findings we conclude that the application should be granted, and that the effective date of the order should be the date on which Kin-Wood Warehouse Services of California, Inc. pays the prescribed fee. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is completed, the revocation of the prescriptive rights and certificate presently held by Davies Warehouse Company and the issuance of a certificate in appendix form to Kin-Wood Warehouse Services of California, Inc.

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

Kin-Wood Warehouse Services of California, Inc. is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized 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 31, 1976, Davies Warehouse Company may sell and transfer the prescriptive rights and certificate referred to in the application to Kin-Wood Warehouse Services of California, Inc.

2. Kin-Wood Warehouse Services of California, Inc., on or after the effective date hereof and on or before December 31, 1976, may issue and sell to Kin-Wood Associates, Inc. and Harry F. Clarke not exceeding 6,300 shares and 700 shares, respectively, of its \$1 par value capital stock for not exceeding \$7,000 cash to be used for working capital.

3. Kin-Wood Warehouse Services of California, Inc. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

4. Within thirty days after the transfer Kin-Wood Warehouse Services of California, Inc. shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.

5. Kin-Wood Warehouse Services of California, Inc. 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 five days after the effective date of this order on not less

than five 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.

6. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 5, a certificate of public convenience and necessity is granted to Kin-Wood Warehouse Services of California, 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 of this decision.

7. The public utility warehouseman prescriptive operative rights in the City of Los Angeles held by Davies Warehouse Company and the certificate of public convenience and necessity granted by Decision No. 72455 are revoked effective concurrently with the effective date of the tariff filings required by paragraph 5.

8. Kin-Wood Warehouse Services of California, Inc. 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.

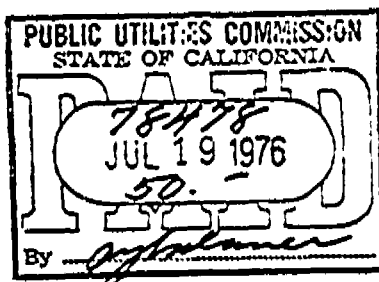
9. Davies Warehouse Company shall, at the direction of the owner of any property in storage at the present locations in Los Angeles or Mira Loma, transport such property to a new facility of Kin-Wood Warehouse Services of California, Inc. or any available public utility warehouse in the vicinity of the present locations at the expense of Davies Warehouse Company and at no expense or risk to the owner of the property transported.

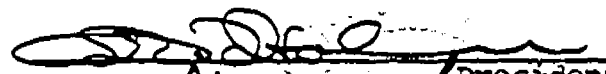
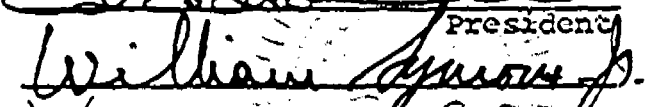

10. The Executive Director of the Commission shall cause service of certified copies of this order to be made upon Davies Warehouse Company and Kin-Wood Warehouse Services of California, Inc., or shall mail certified copies thereof to them at their last known addresses as shown in the Commission's records.

11. This order shall become effective when Kin-Wood Warehouse Services of California, Inc. has paid the minimum fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50.

Dated at San Francisco, California, this 19th day of

JULY, 1976.




President



Commissioners

Commissioner Leonard Ross, 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.

Kin-Wood Warehouse Services of California, Inc., a corporation, 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>
City of Los Angeles	150,000
City of Santa Fe Springs	175,500

(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. 86131 Application No. 56570.