

ORIGINAL

Decision No. 86795

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SAN FRANCISCO WAREHOUSE COM-)
PANY, a corporation, for authori-)
zation to transfer, and of SAN)
FRANCISCO PUBLIC WAREHOUSE COMPANY))
for authorization to acquire ware-)
house and highway common carrier)
operating rights and properties;)
and of SAN FRANCISCO PUBLIC WARE-)
HOUSE COMPANY for authorization to)
issue shares and evidence of)
indebtedness.)

Application No. 56789
(Filed October 1, 1976)

O P I N I O N

San Francisco Warehouse Company, a California corporation (transferor), seeks authority to transfer its highway common carrier and warehouseman certificates of public convenience and necessity and related assets to San Francisco Public Warehouse Company, a California corporation (transferee), and the latter seeks authority to issue capital stock and to assume an encumbrance on operating equipment.

The highway common carrier certificates were granted by and authorized:

1. Decision 50906, dated December 28, 1954, in Application 35008 - transportation of general commodities with the usual exceptions between points in the San Francisco - East Bay Cartage Zone.
2. Decision 60256, dated June 14, 1960, in Application 41656, as amended by Decision 74082, dated May 7, 1968, in Application 48547 - transportation of general commodities with the usual exceptions between San Francisco and San Jose.

Both highway common carrier certificates are registered with the Interstate Commerce Commission in Docket MC-8780 (Sub. 2).

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The warehouseman certificate was granted by Decision 41066, dated December 22, 1947 in Application 23851, as amended by Decision 68395, dated December 22, 1964, in Application 47141, and authorizes warehouse floor space as a public utility in San Francisco.

Transferor desires to separate its warehouse and truck operations from nonutility real estate operations. Having the public utility operations in a separate corporation is also desirable because it will facilitate the transfer of those operations to new owners in the event a change in management of the public utility operations involved becomes necessary.

Pursuant to the agreement of August 16, 1976, between the applicants, the certificates, certain highway vehicles and other operating assets and property will be transferred to San Francisco Public Warehouse Company. Included in this transfer will be certain electronic business machines which are currently encumbered by an installment payment agreement held by International Business Machines Corporation. Transferee proposes to assume the balance of the encumbrance which provides for monthly installment payments of \$1,147.31 for thirty-four months for a total of \$39,008.54.

The total net depreciated book value of the assets to be transferred is estimated to be \$100,000 as shown by the "Giving Effect" financial statement (Exhibit B to the application). The amount of \$1.00 each is allocated to the highway common carrier certificates and the warehouse operating authority is valued at \$630.22.

Transferor will receive 1,000 shares of \$10 par value common stock of transferee as consideration for the assets to be transferred. No other stock of San Francisco Public Warehouse Company is presently issued and outstanding.

Transferor participates in Pacific Motor Tariff Bureau, Inc., tariff publications for operations under the highway common carrier certificates and San Francisco Warehouse Company tariffs for the warehousing. Transferee proposes to adopt the tariffs.

Notice of the filing of the application appeared in the Commission's Daily Calendar of October 4, 1976. No protests to the application have been received.

After consideration, the Commission finds:

1. The applicants should be granted a deviation from the Commission's Rules of Practice and Procedure which require wide dissemination of the application.
2. The proposed transfer would not be adverse to the public interest.
3. Transferee should be authorized to assume the equipment obligations of transferor.
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. The equipment proposed to be obtained from transferor will no longer be necessary or useful in the performance of transferor's duty to the public as a public utility.

The Commission concludes that the application should be granted. A public hearing is not necessary. The action taken herein shall not be construed as a finding of the value of the capital stock of San Francisco Public Warehouse or the certificates of public convenience and necessity and equipment to be transferred.

The Commission also concludes that the effective date of this order should be the date on which it is signed because there is no known opposition and no reason to delay granting the authorization requested.

The order which follows will provide for, in the event the transfer is completed, the revocation of the highway common carrier and warehouseman certificates presently held by San Francisco Warehouse Company and the issuance of certificates in appendix form to San Francisco Public Warehouse Company, a California corporation. The new highway common carrier certificate issued to San Francisco Public Warehouse Company will not change or broaden the interstate or foreign commerce rights held by the carrier.

Transferee 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.

O R D E R

IT IS ORDERED that:

1. On or before September 1, 1977, San Francisco Warehouse Company may sell and transfer the operative rights and related assets referred to in the application to San Francisco Public Warehouse Company, a California corporation.
2. Within thirty days after the transfer the transferee shall file with the Commission written acceptance of the certificates and a true copy of the bill of sale or other instrument of transfer.
3. Transferee shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the common carrier and 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 Orders 61 and 80-Series. Failure to comply with the provisions of General Orders 61 and 80-Series may result in a cancellation of the operating authorities 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, certificates of public convenience and necessity are granted to San Francisco Public Warehouse Company, a California corporation, authorizing it to operate as a highway common carrier as defined in Section 213 of the Public Utilities Code, between the points and over the routes set forth in Appendix A, and 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 set forth in Appendix B, both appendices attached hereto and made a part hereof.

5. The certificates of public convenience and necessity granted by Decisions 50906 and 60256, as amended, and Decision 41066, as amended, are revoked effective concurrently with the effective date of the tariff filings required by paragraph 3.

6. Transferee shall comply with the safety rules administered by the California Highway Patrol and the insurance requirements of the Commission's General Order 100-Series.

7. Transferee shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before April 30 of each year, an annual report of its operations in such form, content and number of copies as the Commission, from time to time, shall prescribe.

8. Transferee shall comply with the requirements of the Commission's General Order 84-Series for the transportation of collect on delivery shipments. If transferee elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

9. The applicants are granted a deviation from the Commission's Rules of Practice and Procedure to the extent referred to in Finding 1 herein.

10. San Francisco Public Warehouse Company, on or after the effective date hereof and on or before September 1, 1977, for the purpose specified in this proceeding, may issue not exceeding a total of 1,000 shares of its \$10 par value common stock to San Francisco Warehouse Company.

11. San Francisco Warehouse Company may control San Francisco Public Warehouse Company.

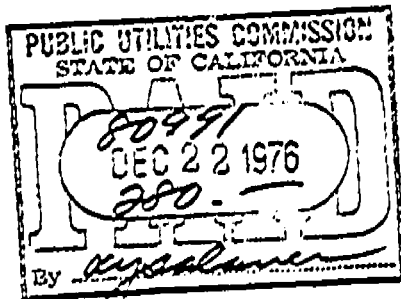
12. On or before September 1, 1977, the applicants shall file reports informing the Commission whether or not the stock acquisition has been completed.

13. Transferee may assume the equipment obligation of transferor as requested in the application.

14. San Francisco Public Warehouse Company, shall file with the Commission a report or reports, as required by General Order 24-B, which order, insofar as applicable, is hereby made a part of this order.

15. The authority granted by this order to assume an encumbrance and to issue stock will become effective when San Francisco Public Warehouse Company has paid the fees prescribed by Sections 1904(b) and 1904.1 of the Public Utilities Code, which fees are \$80 and \$200, respectively, for a total of \$280. In all other respects, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 21st day of December, 1976.



[Signature]

President
William Aguirre
Vernon L. Sturgeon

[Signature]

Commissioners

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

San Francisco Public Warehouse Company by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to conduct operations as a highway common carrier as defined in Section 213 of the Public Utilities Code for the transportation of general commodities as follows:

- A. Between San Francisco, San Jose and all intermediate points on U. S. Highways 101 and 101 By-Pass.

The authority in A above is restricted to the transportation of shipments originating at or destined to a public warehouse or warehouses operated by applicant in the City and County of San Francisco.

- B. Between all points and places in the San Francisco-East Bay Cartage Zone as described in Note A.

Except that carrier shall not transport any shipments of:

1. Used household goods, personal effects and office, store and institution furniture, fixtures and equipment not packed in salesmen's hand sample cases, suitcases, overnight or boston bags, brief cases, hat boxes, valises, traveling bags, trunks, lift vans, barrels, boxes, cartons, crates, cases, baskets, pails, kits, tubs, drums, bags (jute, cotton, burlap or gunny) or bundles (completely wrapped in jute, cotton, burlap, gunny, fibreboard, or straw matting).
2. Livestock, viz.: barrows, boars, bulls, butcher hogs, calves, cattle, cows, dairy cattle, ewes, feeder pigs, gilts, goats, heifers, hogs, kids, lambs, oxen, pigs, rams (bucks), sheep, sheep camp outfits, sows, steers, stags, swine or wethers.

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3. Liquids, compressed gases, commodities in semi-plastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles.
4. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
5. Portland or similar cements, in bulk or packages, when loaded substantially to capacity of motor vehicle.
6. Petroleum Products in Bulk (applies only to operating authority described in Paragraph B, above).
7. Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.

NOTE A

SAN FRANCISCO-EAST BAY CARTAGE ZONE

The San Francisco-East Bay Cartage Zone includes the area embraced by the following boundary: Beginning at the point where the San Francisco-San Mateo County Boundary Line meets the Pacific Ocean; thence easterly along said boundary line to Lake Merced Boulevard; thence southerly along said Lake Merced Boulevard to South Mayfair Avenue; thence westerly along said South Mayfair Avenue to Crestwood Drive; thence southerly along Crestwood Drive to Southgate Avenue; thence westerly along Southgate Avenue to Maddux Drive; thence southerly and easterly along Maddux Drive to a point one mile west of State Highway 82; thence southeasterly along an imaginary line one mile west of and paralleling State Highway 82 (El Camino Real) to its intersection with the southerly boundary line of the City of San Mateo; thence along said boundary line to U.S. Highway 101 (Bayshore Freeway); thence leaving said boundary line proceeding to the junction of Foster City Boulevard and Beach Park Road; thence northerly and easterly along Beach Park Road to a point one mile south of State Highway 92; thence easterly along an imaginary line one mile southerly and paralleling State Highway 92 to its intersection with State Highway 17

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(Nimitz Freeway); thence continuing northeasterly along an imaginary line one mile southerly of and paralleling State Highway 92 to its intersection with an imaginary line one mile easterly of and paralleling State Highway 238; thence northerly along said imaginary line one mile easterly of and paralleling State Highway 238 to its intersection with "B" Street, Hayward; thence easterly and northerly along "B" Street to Center Street; thence northerly along Center Street to Castro Valley Boulevard; thence westerly along Castro Valley Boulevard to Redwood Road; thence northerly along Redwood Road to Somerset Avenue; thence westerly along Somerset Avenue and 168th Street to Foothill Boulevard; thence northwesterly along Foothill Boulevard to the southerly boundary line of the City of Oakland; thence easterly and northerly along the Oakland Boundary Line to its intersection with the Alameda-Contra Costa County Boundary Line; thence northwesterly along said County Line to its intersection with Arlington Avenue (Berkeley); thence northwesterly along Arlington Avenue to a point one mile northeasterly of San Pablo Avenue (State Highway 123); thence northwesterly along an imaginary line one mile easterly of and paralleling San Pablo Avenue to its intersection with County Road 20 (Contra Costa County); thence westerly along County Road 20 to Broadway Avenue; thence northerly along Broadway Avenue to San Pablo Avenue (State Highway 123) to Rivers Street; thence westerly along Rivers Street to 11th Street; thence northerly along 11th Street to Johns Avenue; thence westerly along Johns Avenue to Collins Avenue; thence northerly along Collins Avenue to Morton Avenue; thence westerly along Morton Avenue to the Southern Pacific Company right-of-way and continuing westerly along the prolongation of Morton Avenue to the shoreline of San Pablo Bay; thence southerly and westerly along the shoreline and waterfront of San Pablo Bay to Point San Pablo; thence southerly along an imaginary line to the San Francisco waterfront at the foot of Market Street; thence westerly along said waterfront and shoreline to the Pacific Ocean; thence southerly along the shoreline of the Pacific Ocean to point of beginning.

(END OF APPENDIX A)

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Appendix B SAN FRANCISCO PUBLIC WAREHOUSE COMPANY Original Page 1
(a California corporation)

San Francisco Public Warehouse Company, 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>
San Francisco	582,885

(The floor space shown is exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.)

(END OF APPENDIX B)

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