

Decision No. 89430 SEP 19 1978

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )

BERNARD J. HECHT, an individual, )  
doing business as LOS ANGELES )  
DISTRIBUTION CENTER, to sell )  
and transfer a Warehouse Certi- )  
ficate of Public Convenience and )  
Necessity, and of LOS ANGELES )  
DISTRIBUTION CENTER, INC., to )  
purchase said Warehouse Certifi- )  
cate of Public Convenience and )  
Necessity, to issue stock and )  
assume certain obligations. )

Application No. 58235  
(Filed July 18, 1978)

OPINION AND ORDER

Bernard J. Hecht, an individual, doing business as Los Angeles Distribution Center, possesses a certificate of public convenience and necessity as a public utility warehouseman for the operation of 50,000 square feet of storage or warehouse floor space at Montebello. By this application, he seeks authority to sell and transfer, and Los Angeles Distribution Center, Inc., a corporation, seeks authority to purchase and acquire the aforementioned operative right.

According to the applicant, the transfer has already been consummated whereby Bernard J. Hecht, doing business as Los Angeles Distribution Center, received from Los Angeles Distribution Center, Inc., a newly formed corporation, 100 shares of its common stock having a par value of \$1.00 per share. The purchaser has also agreed to assume certain liabilities of Bernard J. Hecht totaling \$92,257.

Applicant, unaware of the Commission's requirements under Section 1052 of the Public Utilities Code, failed to file an appropriate application with this Commission prior to the transfer of the aforementioned rights. Upon being made aware of such requirements, applicant forthwith filed the captioned application to obtain the necessary approval of the Commission for the transfer.

Applicant submits that approval of the application would have no adverse effect upon the environment. It contends that the public will be served in the same manner as heretofore and the change from a sole proprietorship to a corporation is simply designed to perpetuate the pre-existing business to a corporate level.

Applicant has demonstrated that it possesses experience and financial ability to conduct warehouse operations.

Copies of the application were mailed to Los Angeles Warehousemen's Conference and to interested parties. The application was listed on the Commission's Daily Calendar of July 20, 1978. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that:

1. Public convenience and necessity require that the aforementioned operative right be purchased and transferred to Los Angeles Distribution Center, Inc.

2. It can be seen with certainty that the proposed activity will not have a significant effect on the environment.

3. The proposed transfer would not be adverse to the public interest.

4. A public hearing is not necessary.

5. The order which follows will provide for revocation of the present certificate held by applicant and the issuance in its place and stead of a new certificate in appendix form.

6. Los Angeles Distribution Center, 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. A certificate of public convenience and necessity is granted to Los Angeles Distribution Center, Inc., 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.

2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure to do so may result in a cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if it accepts the certificate it will be required, among other things, to file annual reports of its operations.
- (b) Within one hundred and twenty days after the effective date of this order, applicant shall establish the authorized service, and file tariffs, in triplicate, in the Commission's office.
- (c) 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 establishment of the service authorized.
- (d) The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order 61-Series.

- (e) Applicant 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.

3. The certificate of public convenience and necessity granted by Decision 82363 dated January 22, 1974 is revoked effective concurrently with the effective date of the tariff filings required by paragraph 2.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 19<sup>th</sup> day of SEPTEMBER, 1978.

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President  
*William Sproule Jr.*  
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*George L. Peterson*  
\_\_\_\_\_  
*Charles D. Howell*  
\_\_\_\_\_  
*Clare T. DeWitt*  
Commissioners

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

Appendix A      LOS ANGELES DISTRIBUTION CENTER, INC.  
(a corporation)

Los Angeles Distribution Center, 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>
Montebello	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. 89430, Application No. 58235.