

Decision No. 21215.**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 FARNSWORTH AND RUGGLES)
 to sell and transfer, and Farnsworth)
 and Ruggles Warehouse to purchase,)
 acquire and operate the public util-) Application No. 15613
 ity business at San Francisco,)
 California.)

L. A. Bailey, for applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Railroad Commission is asked to authorize the transfer, by sale and lease, of the operative rights and public utility warehouse properties of Farnsworth and Ruggles, a corporation, to Farnsworth and Ruggles Warehouse, a co-partnership consisting of Mr. George E. Hart and Mrs. L. R. Rossier.

It appears that Farnsworth and Ruggles, a corporation, for many years has been engaged in the drayage business in San Francisco and incidentally thereto, for the last two years, in the public utility warehouse business. Its Warehouse Tariff No. 1, naming charges for storage and incidental handling of merchandise, was filed in the office of the Commission on July 1, 1927. The properties operated include a reinforced concrete building with a floor space of approximately 8000 square feet located at #200 Brannan Street and a yard of approximately 15,000 square feet located at #356 Harriet Street.

It is reported that the public utility warehouse operations constitute a very small portion of the corporation's total business.

It has been deemed best by those in control of the affairs of the corporation to separate the two classes of business, and to that end arrangements have been made for the transfer to Mr. George E. Hart and Mrs. L. R. Rossier, co-partners, of the warehouse operative rights and for the lease to them of the public utility warehouse properties. In this connection it might be said that the record herein shows that all of the corporation's outstanding stock, except director's qualifying shares, is held by Mr. George E. Hart and Mrs. L. R. Rossier, so that the transaction herein proposed will not result in any change in the operation of the warehouse business.

The consideration to be paid for the transfer of the operative rights is \$25.00. The rental to be paid under the lease arrangements is \$200.00 a month for a total period of five years, commencing June 1, 1929. A copy of the lease, dated April 27, 1929, is filed with the application herein as Exhibit "B". Mr. Hart, vice-president and one of the stockholders of the corporation, and also one of the members of the co-partnership, stated at the hearing that the co-partnership would not in any subsequent proceeding urge the Commission to recognize the agreed rental as an operating expense because it authorized the execution of the aforesaid lease.

ORDER

Application having been made to the Railroad Commission for an order authorizing the transfer and leasing of warehouse operating rights and properties, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion

that the granting of this application, as herein provided, is not contrary to the public interest, therefore,

IT IS HEREBY ORDERED as follows;-

1. Farnsworth and Ruggles, a corporation, may transfer its operative rights and may lease its public utility warehouse properties referred to in the preceding opinion, and, in this application, to Mr. George E. Hart and Mrs. L. R. Rossier, co-partners doing business under the firm name and style of Farnsworth and Ruggles Warehouse, such lease to be in accordance with the terms of the lease agreement of April 27, 1929, filed in this proceeding as Exhibit "B".

2. The authority herein granted for the transfer of the operative rights and for the lease of public utility warehouse properties shall not hereafter be urged before this Commission as a measure of the value of said rights and properties, or as recognizing the rental as a proper operating expense charge for the purpose of fixing rates, or any purpose other than the transfer and lease herein authorized.

3. Farnsworth and Ruggles, a corporation, and George E. Hart and Mrs. L. R. Rossier, co-partners doing business under the firm name and style of Farnsworth and Ruggles Warehouse, shall unite in common supplement to the tariffs on file with the Commission in the name of Farnsworth and Ruggles, applicant Farnsworth and Ruggles on the one hand withdrawing, and applicants George E. Hart and Mrs. L. R. Rossier, co-partners doing business under the firm name and style of Farnsworth and Ruggles Warehouse, on the other hand accepting and establishing such tariffs and all effective supplements thereto.

4. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 10th day of June, 1929.

Thos. L. Lott
Al. L. Lott
Ernest L. Lott
Leon L. Lott

Commissioners.

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Paul L. Smith

Clarence

Ernest R. Smith

Leon Whittell

Commissioners.