

Decision No. 21950.**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 STOCKTON WHARF & WAREHOUSE COMPANY,
 a corporation, and LAWRENCE WAREHOUSE
 COMPANY, a corporation, for an order
 authorizing the former to lease cer-
 tain operative properties to the
 latter.

Application No. 16078.

Williamson, Wallace & Vaughan, by Reginald L.
 Vaughan, for applicants.

BY THE COMMISSION:

O P I N I O N

The Stockton Wharf and Warehouse Company and the Lawrence Warehouse Company are corporations organized and existing under the laws of the State of California for the purpose of conducting the business of a general warehouseman. The principal office of the first named is at 14 West Weber Avenue, Stockton, and of the second named at 37 Drumm Street, San Francisco. It is the desire of these applicants to secure a certificate under Section 50 $\frac{1}{2}$ of the Public Utilities Act for the lease of properties owned by the Stockton Wharf and Warehouse Company to the Lawrence Warehouse Company in accordance with the terms and conditions of an agreement entered into August 28, 1929, a copy of which is attached to the application and marked Exhibit "A". The terms of the agreement pertinent to this proceeding are as

set forth below:

"The lessor hereby rents, demises and lets to the lessee, and the lessee hereby hires and takes of and from the lessor the said above described warehouse building, rooms and premises, for a period of two (2) years from and after the date and year herein first above written, for the annual rental sum of \$1.00 (One Dollar), payable upon the execution of this lease, the receipt of which is hereby acknowledged, and annually thereafter by the lessee to said lessor; it being specifically understood that in case the lessee shall have issued and there be outstanding warehouse receipts on any goods stored in any of said warehouses, under no circumstances shall this lease be terminated as to any of said warehouses until there shall be returned and delivered up to lessee for cancellation all such warehouse receipts, and until said lessor shall have paid to said lessee all charges due and owing for storage, labor and other charges and advances on all goods and merchandise covered by such warehouse receipts, or others that have been issued. * * * *

"Lessee hereby agrees to operate the leased properties as a public warehouseman under a tariff identical in terms conditions and form with that which lessor has on file with the Railroad Commission of the State of California (Stockton Wharf and Warehouse Company, Warehouse Tariff No. 1, C. R.C. No. 11). It is understood and agreed that at the expiration of this lease the parties hereto will determine whether or not the properties should be continued to be operated for a further period by lessee, and in the event that it is determined that they should not be so operated the parties hereby agree to file their joint application before the said Railroad Commission seeking the authority of that body to permit lessee to discontinue and lessor to resume such operations."

A public hearing was held before Examiner Geary at San Francisco on December 18, 1929, and the case having been submitted is now ready for an opinion and order.

The application recites as a justification for the leasing arrangement that the Stockton Wharf and Warehouse Company is now and for a considerable period last past has been operating at an out-of-pocket loss, and that it is believed the Lawrence Warehouse Company by reason of its better facilities and a larger and wider spread organization can effect efficiencies and economies in operation so as to result in the placing of these

properties on a paying basis.

The testimony of witnesses for the applicants was in substantiation of the things set forth in the application and of the exhibits attached thereto. There was no opposition to the granting of the lease.

It appearing that the public interest will be served by the granting of this application, we conclude and find that an authority for the transfer should issue, with the condition that the Lawrence Warehouse Company shall immediately adopt the tariffs of the Stockton Wharf and Warehouse Company or issue a new tariff in its own name, continuing in effect in identical terms the rates, rules and regulations now being applied by the Stockton Wharf and Warehouse Company under the tariffs on file with this Commission at the present time.

O R D E R

A public hearing having been held on the above entitled application, the matters being duly submitted and being ready for decision, and basing its order upon the conclusions and findings contained in the foregoing opinion,

IT IS HEREBY ORDERED that the Stockton Wharf and Warehouse Company and the Lawrence Warehouse Company be and they are hereby authorized to put into effect a leasing agreement dated August 28, 1929, as per Exhibit "A" attached to and made a part of this application, whereby the described properties are leased by the Stockton Wharf and Warehouse Company to the Lawrence Warehouse Company.

IT IS HEREBY FURTHER ORDERED that the Lawrence Warehouse Company shall immediately file tariffs in its own name or adopt as its own the tariffs of the Stockton Wharf and

Warehouse Company now on file with the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that the lease herein authorized may not be discontinued, sold, transferred or assigned without the consent of the Railroad Commission.

Dated at San Francisco, California, this 27th day of December, 1929.

Thos D. Latta

C. Sawyer

Ernest

Leon Caldwell

W. J. Can
Commissioners.