

ORIGINAL

Decision No. 3885

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of LAWRENCE WAREHOUSE COMPANY for authority under Section 63 of the Public Utilities Act to increase certain rates. : : : Application No. 2582. : : :

Sanborn and Roehl for applicant.

BY THE COMMISSION:

O P I N I O N.

LAWRENCE WAREHOUSE COMPANY, a public utility corporation operating a group of merchandise warehouses in Oakland and Sacramento, applies to the Railroad Commission for authority to increase and adjust its rates.

Attached to the application as Exhibit "B" is a schedule showing the proposed rates, which bring about increases and decreases. It is too voluminous for insertion in the opinion or order.

Many of the proposed increases affect the labor charge only. In several instances the change is in the classification of goods, periods of storage, or the methods in which the charges are to be applied, due to difference in methods of packing or handling goods. Other changes, in several instances resulting in decreases in rates, are sought for the sake of bringing about uniformity with San Francisco rates for same class of service.

The rates authorized by the Commission to apply at a large number of warehouses in San Francisco as set forth in so called Warehouse Tariff No. 2, C.R.C. No. 2, effective December 2, 1912, were agreed upon in conferences between interested warehousemen and their patrons, and should not be considered as having been established by the Commission as fair and reasonable rates. However, the fact that such rates with minor modifications have stood the test of four years without serious attack tends to show that at least a basis for fair rates has been found.

Uniformity with rates maintained in another city should not be sought unless operating conditions appear to be the same. Should discrimination between two localities appear it might prove fairer to reduce the higher rate than to raise the lower one. This should depend upon all the circumstances of each case.

Applicant operates several warehouses in Oakland acquired from time to time since 1912 and two in Sacramento acquired in the early part of 1916. One of these ^{two} is a new seven-story reinforced fireproof building which was operated at a loss until leased to applicant. At the time of the hearing this warehouse showed increasing business and a net operating revenue of \$451.88 for the month of September, 1916. The other structure known as the Clunie Warehouse, and formerly operated by the Western Pacific Railway Company, was likewise said to have been unprofitable to applicant's predecessor, but promises better returns under the present management.

At the time of transfer of the Sacramento Warehouses to applicant but few live accounts existed, and applicant immediately began, with the consent of patrons, to assess rates in accordance with its Oakland schedule to apply on all new ac-

counts accepted. The proposed rates will therefore make but slight changes in the Sacramento business.

A majority of the commodities on which rate adjustments are sought are not now carried in storage by applicant, and with one or two exceptions, have never been carried. ^{The rates thereon} ~~are~~ are merely so called "paper rates". The application will affect about twelve commodities now stored. At least four of the proposed rates result in reductions. The present Oakland rates were inherited by the Lawrence Warehouse Company from its predecessor and voluntarily filed with the Railroad Commission about 1912. It is alleged that a check of the revenue derived from the twelve active commodities in applicant's warehouses, covered by this application, tend to show that a profitable business cannot be conducted under the rates at present charged. Applicant's operations for the year 1915 show a loss of \$1,038.09.

Applicant showed that labor costs and expenses have increased since present rates became effective, and some of the commodities affected have increased in value making warehousemen's risk greater. Rates on other commodities were made to cover job lots then in storage, but subsequently moved, leaving no demand for such rates.

Although printed notice of hearing was mailed to each of applicant's patrons advising them of contemplated increases none appeared and no protest has been received.

It appears from applicant's annual report for 1915 that \$10,000.00 par value of stock has been issued without authority of the Commission in violation of Section 52 (d) of the Public Utilities Act. Application for suitable authority to issue stock in lieu of that which is void should be made to this Commission.

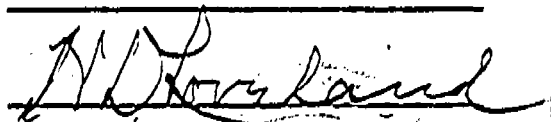
O R D E R.

LAWRENCE WAREHOUSE COMPANY, engaged in the business of operating public utility warehouses, having applied to the Railroad Commission for an order authorizing an increase and adjustment in rates for storage of commodities in its warehouses located in Oakland and Sacramento, and public hearings having been held thereon in San Francisco and Sacramento, and the matter having been submitted and being now ready for decision,

IT IS HEREBY ORDERED that Lawrence Warehouse Company be and it is hereby authorized to establish and collect rates shown in its proposed tariff No. 3, C.R.C. No. 3, which is a copy of Exhibit "B" accompanying the application, such rates to take effect twenty days after filing with this Commission.

The authority hereby granted shall apply only to such schedule of rates as shall be filed with this Commission within thirty days after date.

Dated at San Francisco, California, this 18th
day of November, 1916.







Commissioners.