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Decision No. 8373

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
WALKUP DRAYAGE & WAREHOUSE COMPANY)
for an order authorizing issuance)
of capital stock.)

Application No. 6249.

Heller, Powers & Ehrman, by Samuel L. Stevens, for
applicant.

MARTIN, Commissioner.

O P I N I O N.

WALKUP DRAYAGE & WAREHOUSE COMPANY asks permission to
issue and sell, at not less than par, \$50,000.00 of common stock for
the purposes herein indicated.

Walkup Drayage & Warehouse Company was organized in Octo-
ber, 1920, with an authorized stock issue of \$100,000.00, divided into
1000 shares of \$100.00 each. The company has entered into a lease
for a term of ten years, beginning November 1, 1920, with Ondawa Com-
pany at a monthly rental of \$2,160.00 for the southern section of the
new 5-story concrete building/^{just}being completed at the corners of Bryant,
Rincon and Federal Streets in the City and County of San Francisco.

In Exhibit "A" applicant reports the estimated cost of
equipment, materials and supplies necessary to establish its warehouse
and drayage business at \$29,548.20. The equipment, material and
supplies consist of 2 McDonald tractors, 3 auto cars, 1 Rec Speed
wagon, scales, hand-trucks, flat cars and other minor items. The
\$29,548.20 includes no allowance for the cost of applicant's lease.
Some of the equipment which applicant intends to acquire will be used
in its drayage business. The record shows that applicant does not

expect its public utility business to earn a return on its investment in non-public utility properties. The order herein will require applicant to file a stipulation to that effect.

At the time of the hearing on this application, applicant was not in a position to advise the Commission definitely as to the purposes for which it intends to use \$20,451.80 obtained from the sale of stock. The order will provide that all proceeds from the sale of stock in excess of \$29,548.20, reported as the estimated cost of equipment, materials and supplies, be expended only for such purposes as the Railroad Commission may hereafter authorize by a supplemental order or orders.

I herewith submit the following form of Order.

O R D E R.

WALKUP DRAYAGE & WAREHOUSE COMPANY having applied to the Railroad Commission for authority to issue and sell \$50,000.00 of stock, a hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of the stock and disbursement of proceeds hereinafter authorized, is reasonably required for the purpose or purposes specified in this order and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that WALKUP DRAYAGE & WAREHOUSE COMPANY be, and it is hereby, granted authority to issue and sell for cash, at not less than par, \$50,000.00 of its common capital stock.

The authority herein granted is subject to further conditions as follows:

- 1.--The proceeds from the sale of the stock herein authorized, in the amount of \$29,548.20, may be used by applicant to pay for the equipment, materials and supplies enumerated in applicant's Exhibit "A" . The remainder of the proceeds shall be expended only for such purposes as the Railroad Commission may authorize by a supplemental order or orders herein.
- 2.--The authority herein granted will not become effective until Walkup Drayage & Warehouse Company has filed with the Railroad Commission a stipulation duly authorized by its board of directors declaring that Walkup Drayage & Warehouse Company, its successors and assigns will never urge the Railroad Commission, or other public body having jurisdiction, to include in a rate base such an amount of the proceeds obtained from the sale of stock herein authorized as may be invested by Walkup Drayage & Warehouse Company in non-public utility properties, and a supplemental order made reciting that such stipulation satisfactory in form has been filed in this proceeding.
- 3.--Walkup Drayage & Warehouse Company shall keep such record of the issue and sale of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the twenty-fifth day of each month a verified report, as required by the Railroad Commission's General Order Number 24, which order in so far as applicable, is made a part of this order.

4.-- The authority herein granted will apply only
to such stock as may be issued and sold
on or before March 1, 1921.

The foregoing Opinion and Order are hereby approved
and ordered filed as the Opinion and Order of the Railroad Commission
of the State of California.

Dated at San Francisco, California, this 26th day
of November, 1920.

Edwin O. Egerton
H. D. Leonard
Frank D. White
H. P. B. B. B. B.
W. W. W. W. W.
Commissioners.