

Decision No. 38278

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Frank L. Juney and George R. Freeman  
for Permission to Lease Warehouse  
Property.

Application  
No. 26987

BY THE COMMISSION:

**ORIGINAL**

O P I N I O N

The Commission by Decision No. 38076, dated July 10, 1945, in Application No. 26812, authorized Frank L. Juney to sell his public utility warehouse properties to George R. Freeman, who in turn was authorized by said decision to lease the warehouse properties to Frank L. Juney until the end of the current rice storage season, or until October 1, 1945.

George R. Freeman acquired said warehouse properties. In this application, he asks permission to lease them to Frank L. Juney for a period of one year, commencing October 1, 1945, and ending September 30, 1946, under the terms and conditions of the lease filed in this application as Exhibit "A". The lease, among other things, provides that the lessee shall pay all expenses of operation of the warehouse and of drying rice therein, and shall include as expense the sum of \$115 per month to be paid to the lessor as interest on the capital of the lessor in said warehouse, and that the lessee shall pay to the lessor as rental and compensation for the use of the warehouse property and all personal property therein, fifty per cent of the net profits from operations. Payments of this nature should be made out of the amount allowed as a fair return and not included in operating expenses.

While the order herein will authorize applicants to execute the lease, such order is made with the understanding that the Commission reserves the right to eliminate from operating expenses, in any rate proceeding, any amount paid to the lessor as interest on his capital investment or any amount paid to him as representing net profits from operations.

Frank L. Juney has operated the warehouse properties for a number of years past, and now has warehouse rates on file with the Commission. It is not proposed to make any changes in such rates.

O R D E R

The Commission having considered applicants' request, and it being of the opinion that this is not a matter on which a hearing is necessary, and that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that George R. Freeman and Frank L. Juney be, and they are hereby, authorized to execute and deliver a lease similar in form to the lease filed in this application as Exhibit "A", provided that in any rate proceeding, applicants will not urge that the Commission is estopped from excluding from operating expenses the payments referred to in the foregoing opinion which Frank L. Juney is required to make to George R. Freeman under the terms and conditions of said lease.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is effective upon the date hereof.

Dated at San Francisco, California, this 9<sup>th</sup> day  
of October, 1945.

David C. ...

Richard ...

Frank ...

Sam ...

Commissioners