

ORIGINALDecision No. 52527

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 BECKMAN EXPRESS & WAREHOUSE CO.,)
 BEKINS WAREHOUSING CORPORATION,)
 BELSHAW WAREHOUSE COMPANY, CENTRAL)
 WAREHOUSE & DRAYAGE CO., J. A. CLARK)
 DRAYING COMPANY, LTD., DePUE WARE-)
 HOUSE COMPANY OF SAN FRANCISCO,)
 DISTRIBUTORS WAREHOUSE, THE DODD)
 WAREHOUSES, ENCINAL TERMINALS,)
 FARNSWORTH & RUGGLES, GIBRALTAR)
 WAREHOUSES, HASLETT WAREHOUSE)
 COMPANY, HOWARD TERMINAL, CHARLES F.)
 KANE & CO., JOHN McCARTHY & SON,)
 MERCHANTS EXPRESS CORPORATION,)
 FRANK NOLAN DRAYAGE CO., NORTH)
 POINT DOCK WAREHOUSES, ROBERTSON)
 DRAYAGE CO., INC., SAN FRANCISCO)
 WAREHOUSE CO., SEA WALL WAREHOUSES,)
 SOUTH END WAREHOUSE COMPANY, STATE)
 TERMINAL CO., LTD., THOMPSON BROS.,)
 INC., U. C. EXPRESS & STORAGE)
 COMPANY, WALKUP DRAYAGE & WAREHOUSE)
 CO., WALTON DRAYAGE & WAREHOUSE)
 COMPANY, for an increase in rates.)

Application No. 37352

Vaughan, Paul & Lyons, by Reginald L. Vaughan and
John G. Lyons, for applicants.
Irving S. Culver, for Gibraltar Warehouses; Henry S. Hiller,
 for San Francisco Warehouse Company; John P. Ventre,
 for Howard Terminal; applicants.
Calhoun E. Jacobson, for Virtue Brothers Manufacturing
 Company, and for Certified Chrome Furniture Company, Inc.;
 protestants.
Jack L. Dawson, for California Warehousemen's Association;
A. B. Christiansen, for California Warehouse Tariff
 Bureau; Arlo D. Poe, for Los Angeles Warehousemen's
 Association; Russell Bevans, for Draymen's Association
 of San Francisco; Leo V. Cox, for Safeway Stores;
William W. Wylie, for California and Hawaiian Sugar
 Refining Corporation; and R. A. Dahlman, for R. J.
 Reynolds Tobacco Company; interested parties.
J. T. Phelps, for the Commission's staff.

O P I N I O N

Applicants are public utility warehousemen operating
 in San Francisco, Oakland, Alameda and Berkeley. By this

application, as amended, they seek authority to increase by 15 per cent their rates and charges for storage, for storage handling, and for accessorial services.¹

Public hearing of the application was held before Commissioner Rex Hardy and Examiner Carter R. Bishop at San Francisco on November 17, 1955, and on January 10, February 23, April 20, May 16, 17, 18 and 21, 1956. Evidence was adduced on behalf of applicants by a certified public accountant, a consulting engineer, the tariff publishing agent of applicants, and by 26 individuals who are applicants or are responsible officers of applicant corporations. Independent studies of applicants' operations were made by the Commission's staff. Evidence regarding these studies was offered by a staff accountant, a senior transportation engineer, and an associate transportation rate expert.

Applicants' warehouse rates were last adjusted in 1952. Under Decision No. 47596 of August 19 of that year in Application No. 33544 (52 C.P.U.C. 9) storage rates were increased 20 per cent and accessorial charges were raised by various amounts, reflecting an estimated over-all increase in revenues of 10 per cent. In that proceeding no increases were sought in warehouse handling charges.

The record here discloses that almost all of the applicants herein are engaged in other business activities in addition to their utility warehouse operations, and a majority of them conduct local drayage operations in San Francisco or in East Bay cities. Other activities represented include highway carrier operations, pool car and other carloading and car unloading services, fumigating,

1 In the course of the hearings in this proceeding, Milton J. Daly was substituted for Frank Nolan Drayage Company as an applicant. The record shows that the warehouse certificate of the latter entity was recently acquired by Daly.

rigging, and nonutility storage. Two of the applicants render the various services of port terminal companies. Several of the applicants operate public utility warehouse facilities in cities outside the San Francisco Bay area. Because of these various other activities of applicants it is necessary that the revenues and expenses generated in the conduct of their utility warehouse operations be segregated from those assignable to the other businesses in which they engage. This involves, in many instances, the problem of making proper allocations, as between utility and nonutility operations, of joint expense items.

The certified public accountant introduced a series of exhibits in which were set forth the results of an analysis of the book records of 18 of the 27 warehousemen involved herein,² including projections of estimated future revenues and expenses under present and proposed rates, together with estimated operating ratios for each of the warehousemen studied, and estimated rates of return for the group as a whole, predicated upon an estimated combined rate base.³ The period selected for the study was the fiscal year ending

2 The warehouses not included in the study are: Beckman Express and Warehouse Co., Bekins Warehousing Corporation, Distributors Warehouse, John McCarthy & Son, Robertson Drayage Co., U. C. Express and Storage Co., Walton Drayage & Warehouse Co., Charles F. Kane & Co., Frank Nolan Drayage Co. Various factors, the accountant testified, determined their exclusion: (1) utility warehouse operations comprised only a small portion of applicants' total activities; (2) records were not sufficiently detailed to enable proper allocations of expenses, (3) only gross revenue figures available; (4) new operator, or (5) no operations conducted during the period of the study. According to the accountant, the warehouse revenues received by these nine operators during the period studied comprised only 5.72 per cent of the total of such revenues received by all 27 applicants.

3 As a matter of general practice the Commission will expect all applicants in a joint proceeding to make their respective financial and other showings as necessary elements looking toward a rate adjustment. The Commission's consideration of the instant matter is not to be taken as a precedent, neither generally, nor specifically to the type of utilities which are applicants here.

June 30, 1955. The operating results for that period for each of the 18 warehousemen utilized in the study, as developed by the accountant, are set forth in Table I below.

TABLE I

Results of Operations of 18 Warehousemen
for 12-Month Period Ending June 30, 1955

<u>Warehouseman</u>	<u>Revenues</u>	<u>Expenses Including Income Tax</u>	<u>Net After Taxes</u>	<u>Operating Ratio</u>
Haslett-S.F.	\$ 334,386.91	\$ 386,440.71	\$ (52,053.80)	115.57
Haslett-Oak.	185,849.91	208,476.77	(22,626.86)	112.17
Gibraltar	366,938.04	384,605.77	(17,667.73)	104.81
Howard	426,954.39	465,468.89	(38,514.50)	109.02
San Francisco	689,241.79	726,392.20	(37,150.41)	105.39
South End	199,999.83	198,809.45	1,190.38	99.40
Clark	49,273.66	62,372.71	(13,099.05)	126.59
Thompson	86,157.41	92,689.53	(6,532.12)	107.58
Central	167,937.50	157,051.73	10,885.77	93.52
Farnsworth	78,844.42	86,400.62	(7,556.20)	109.58
Sea Wall	42,397.17	45,136.10	(2,738.93)	106.46
State Term.	54,371.46	48,050.98	6,320.48	88.38
De Pue	138,460.40	142,961.83	(4,501.43)	103.25
Belshaw	92,902.23	90,167.37	2,734.86	97.06
Walkup	354,352.25	370,214.28	(15,862.03)	104.48
Dodd	140,137.32	157,793.54	(17,656.22)	112.60
Merchants	85,006.84	85,103.33	(96.49)	100.11
Encinal	115,075.29	120,434.73	(5,359.44)	104.66
Total	\$3,608,286.82	\$3,828,570.54	\$ (220,283.72)	106.10

() - Indicates loss.

In developing the above data, the accountant testified, allocations of expenses as between warehouse operations and other activities were made as set up in applicants' books. In instances where necessary allocations were not reflected by the accounts he consulted with the operators involved and made the allocations in line with their views. Income taxes were calculated on the corporate basis. It will be seen from Table I that, according to the accountant's study, only 4 of the 18 warehousemen included therein realized a profit from their utility warehouse operations

during the period in question and that the group as a whole experienced a deficit of approximately \$220,000, with a corresponding operating ratio of 106.1 per cent.

Estimated warehouse operating results under the proposed 15 per cent increase, as calculated by the accountant, embraced a 12-month period and assumed the same volume of business as was experienced in the period covered by Table I. In developing his estimates the accountant adjusted the expenses to give effect to all wage and clerical salary increases negotiated during 1955. The estimated expenses do not include a wage increase of 5 cents per hour which the operators had agreed to pay on and after June 1, 1956.⁴ For the group of 18 warehousemen the witness estimated that under the sought rates annual revenues would amount to \$4,149,530, and expenses, including income taxes at corporate rates, would total \$3,995,349, reflecting net operating revenue of \$154,181 and an operating ratio of 96.28 per cent. In Table II below are compared the operating ratios for each of the utilities studied, under the proposed rates as estimated by applicants' witness,⁵ and under present and proposed rates as calculated by the Commission's engineer.⁶

⁴ According to the record, an additional wage increase, involving a health and pension plan and approximating 10 cents per hour, was to become effective on June 1, 1956 with certain unions. At the time of submission negotiations were in progress with other unions for the same increase.

⁵ Applicants' accountant did not develop an estimate of future operating results under present rates.

⁶ The staff engineer utilized the same operators in his study as did applicants' witness, with the following exceptions: the engineer included Robertson Drayage Co. and excluded Encinal Terminals; he combined the operating results of Walkup Drayage and Warehouse Company and Belshaw Warehouse Company, since the operations of these two utilities, assertedly, have been unified. He omitted any estimate of future operating results for the Oakland warehouse services of Haslett Warehouse Company because he understood that those operations were expected to undergo considerable change subsequent to the time of his study.

TABLE II

Comparison of Estimated Operating Ratios (In Per Cents) Under Present and Proposed Rates, After Income Taxes, for the Rate Year.

<u>Warehouseman</u>	<u>Under Present Rates</u>		<u>Under Proposed Rates</u>	
	<u>Applicants</u>	<u>Staff</u>	<u>Applicants</u>	<u>Staff</u>
Haslett - San Francisco	*112.7		101.4	*98.7
Haslett - Oakland	-		99.0	-
Gibraltar	*101.1		95.6	*91.7
Howard Terminal	102.4		97.8	93.8
San Francisco	* 93.7		96.5	*92.5
South End	106.4		91.8	94.4
J. A. Clark	111.7		114.3	98.1
Thompson Bros.	97.1		96.6	88.8
Central Warehouse	* 89.0		88.1	*84.4
Farnsworth	107.9		101.4	95.8
Sea Wall	110.7		95.5	97.1
State Terminal	89.5		81.9	82.1
De Pue	101.2		95.0	91.1
Belshaw	(a)		90.8	(a)
Walkup	* 94.8		95.6	*89.5
Dodd and North Point (b)	110.3		99.5	96.8
Merchants Express	91.0		92.9	*83.4
Encinal	-		94.8	-
Robertson Drayage	102.4		-	92.6
San Francisco - State Terminal (c)	* 98.1		-	*92.2
Weighted Average		101.1	96.3	92.3

- (a) Operating ratios shown by the staff for Walkup include the Belshaw operations.
- (b) Dodd and North Point operating results were combined, in both applicants' and staff studies, since those utilities are conducted as a single operation.
- (c) Staff witness showed combined results for San Francisco Warehouse and State Terminal, as well as individual ratios, because these utilities are under common control.
- * Operating ratios thus marked are predicated on expenses which would obtain if all property utilized in the utility's warehouse operations were owned by it.

In developing his estimate of operating results under present and proposed rates the staff engineer had selected 1956 as his rate year. Labor expense for the first five months of the year he calculated on the basis of wage rates in effect during that period. Expenses for the remaining seven months included the

aforementioned wage increase of 5 cents per hour which, under the 1955 wage agreement, was to become effective June 1, 1956. Income taxes, the engineer testified, had been calculated on the corporate basis for those applicants which are corporations and on an individual basis in the case of partnerships and proprietorships.⁷

According to the record, actual revenues and expenses of each of the applicants studied, for the 12-month period ending September 30, 1956, as well as balance sheet data as of that date, had been taken from their book records by the Commission's staff accountant, who then made such adjustments in the entries as appeared necessary to segregate the San Francisco and East Bay utility warehouse figures from those of applicants' other services.⁸ These adjusted data, together with estimates of revenues to be received under the proposed rates which the rate expert had prepared, were utilized by the staff engineer in his development of estimated operating results for the projected rate year.

Estimates of revenues which would be received by each of the applicants included in the staff study under five alternate rate structures were prepared by the rate expert. These estimates reflected different rate increases for storage and for services other than storage, respectively. The suggested increases ranged from no increase to 10 per cent for storage, and from 20 per cent to 30 per cent for services other than storage. The engineer

7 The application shows that of the 19 applicants included in the studies of record 12 are corporations, five are owned by individual proprietors, and two are copartnerships.

8 Where allocations were shown in the book records, the staff accountant testified, they were utilized in his study. All other necessary allocations, he said, were made only after consultation with the operators involved and reflected the views of the latter.

developed estimates of operating results under each of these alternate proposals. However, the resulting operating ratios for each of the operators studied varied only slightly from those which the engineer had calculated under the proposed increases of 15 per cent for all services.

The record discloses that the problem of estimating future operating results was complicated, both for applicants' accountant and for the staff engineer, by the fact that some of the applicants do not own the warehouses in which they conduct their utility operations, but lease them, either from affiliated companies or from totally independent owners. In his calculations of estimated expenses, applicants' witness, in all cases where applicants do not own the facilities, proceeded as if the facilities were owned by them, and eliminated from the expense figures the item of rent, substituting therefor depreciation, property taxes and other expenses that would be incurred in connection with ownership of the facilities in question. The staff engineer made similar adjustments in developing the estimated expenses for only those applicants which utilize facilities owned by affiliated companies.⁹ In Table II the operating ratios shown in the "staff" columns in connection with applicants for whom expenses were constructively calculated on an "owned" basis are so indicated.

The question of the development of rate bases for the purpose of measuring rates of return under present and proposed rates also presents difficulties, in view of the aforementioned fact that some of the applicants do not own the buildings or land

⁹ The engineer also calculated operating ratios, as well as rates of return, for such applicants on a "leased" basis.

which they utilize in their warehouse operations. The staff engineer developed rate bases on an "owned" basis for those applicants which lease their facilities from affiliated companies, as well as for those which actually own their warehouses. For those applicants which lease their buildings and land from independent parties he simply calculated rate bases reflecting leasehold improvements, equipment, and other property actually owned by the utility. Applicants' witness developed a consolidated rate base for each of two groups into which he divided the warehousemen utilized in his study. The first group is comprised of those applicants which either own their facilities entirely, or lease them entirely from related interests.¹⁰ The second group was made up of those operators which rent a portion or all of their facilities from independent parties.¹¹ Assertedly, the rate base for Group I was predicated on original cost figures, less accrued depreciation, for the real property involved. To construct a rate base for Group II, the witness testified, he found the average value per square foot of the buildings, less depreciation, and of the land, as developed for the rate base of the Group I operators, and expanded this figure by the total number of square feet of dedicated warehouse space of the Group II applicants. The rate bases of both groups included other elements customarily incorporated in utility warehouse rate bases. They also included an allowance

¹⁰ The first group also included one warehouseman who leases his premises from an independent party, from whom the witness was able to obtain facility cost and property expense figures.

¹¹ Group I and II include 11 and 7 operators, respectively. Group I utilities operate 78.4 per cent of the space dedicated by the two groups.

for working capital equivalent to two months' revenue anticipated under the proposed rates. The staff bases included no such allowance.

The rate bases for Groups I and II and for the two groups combined, as constructed by applicants' accountant are: \$5,301,958, \$1,737,638, and \$7,039,596, respectively. And the corresponding rates of return under the proposed rates, after provision for income taxes, are: 3.53 per cent, 6.25 per cent and 4.20 per cent, respectively. These figures, according to the accountant do not reflect increased expenses arising from the 1956 wage adjustments. Applicants' witness did not calculate rate bases individually for each of the operators utilized in his study. Moreover, a valid comparison cannot be made between the consolidated rate base of applicants' study and a summation of the individual rate bases developed by the staff engineer, since in many cases the latter were not predicated upon "assumed" ownership where properties were leased by the utilities.

In his exhibit the staff engineer included analyses which he had made of the operations of two of the applicants herein, San Francisco Warehouse Company and Gibraltar Warehouses, for the year ending September 30, 1955, in which he segregated revenues and expenses as between storage and services other than storage, and calculated the operating results separately for each of those two classes of service. These warehouses were selected, the witness stated, because they were considered typical and because their records were sufficiently detailed and accurate for the analysis. According to the engineer's study, both operators, during the period stated, conducted their storage operations at a

substantial profit and rendered the balance of their services, such as handling in and out, at a considerable loss.¹²

In making the foregoing analyses it was necessary for the staff engineer to make various expense allocations. These allocations were made after reviewing the detail of the expense items with the accountant of one of the operators included in the special study. The largest single expense item was for "Other Labor", which comprises most of the labor performed in the warehouse. This item the engineer assigned in its entirety to "Other Than Storage" services. The applicants involved in the analysis were not in accord with some of the allocations made by the engineer and in rebuttal exhibits their own witnesses set forth the allocations as they thought proper. In the San Francisco exhibit "Other Labor" was assigned 20 per cent to storage and 80 per cent to the rest of the services. The Gibraltar exhibit showed these allocations as 25 per cent and 75 per cent respectively. Various other expense items in both exhibits also differed from the staff study with respect to the allocations. According to the Gibraltar exhibit that operator's storage services were conducted at a slight loss while the services other than storage were shown as profitable. The San Francisco exhibit indicated both classes of services as reflecting operating ratios of less than 100 per cent.

As previously indicated, testimony on behalf of applicants was also adduced by many witnesses who are applicants or are responsible officers of applicants in this proceeding. Their

¹² Operating ratios, before income taxes, experienced by San Francisco were, according to the exhibit, 66.9 per cent for storage, 116.4 per cent for other services, and 95.6 per cent for the combined services. The corresponding operating ratios shown for Gibraltar were 75.9, 115.3 and 98.2 per cent respectively.

testimony was corroborative and was generally as follows: storers consistently seek the lowest available rates and usually shop around to get the lowest rates; if the witness were to charge higher rates than his competitors he would not be able to secure any business or would get only the overflow. Warehousemen located in San Francisco, Oakland, Alameda and Berkeley are all generally competitive with each other; a uniform rate level is imperative within this competitive area. The warehouses which the witnesses represent have in the past taken, and are continuing to take, steps to modernize their equipment and their operating practices. This includes such matters as the use of fork lift trucks and the palletization of commodities; the use of modern, single-story, in place of inefficient, multi-story, warehouses; and the installation of modern office equipment and procedures.¹³

The foregoing testimony relative to the need for uniform rate levels within the San Francisco Bay area was confirmed by two other witnesses, the publishing agent for the tariff bureau in which the warehouse rates and charges of applicants are set forth, and a consulting engineer who has had large experience as an expert witness in warehouse rate matters before this Commission. Evidence to the effect that there are instances of storage or handling rates applicable in the San Francisco Bay area which are lower at some warehouses than at others was adduced by staff counsel through exhibits prepared by the Commission's rate expert, and through cross-examination of some of the operator witnesses. It appears however, that such rates apply at cities, such as San Jose and

¹³ These witnesses also testified in substance that the figures which the accountant had taken from their records for his study were correct and that the expense allocations which he had made were reasonable and in accord with their own judgment.

Vallejo, which applicants do not consider to be within their competitive zone, or which apply subject to the fulfillment of certain requirements, such as an unusually high minimum quantity. In any event, the record indicates that such instances of lower rates are decidedly in the minority.

The customers of the interested warehousemen were notified of applicants' proposal to seek increases in warehouse rates.¹⁴ Two furniture manufacturing concerns opposed the granting of the application in so far as their products were concerned. They indicated that if the sought increases were authorized they would find it expedient to discontinue public utility storage and to make consignments direct from their factories in the Los Angeles area to consignees in the San Francisco Bay area under rail split delivery arrangements or to distributors for proprietary storage and subsequent distribution. No reason was shown why furniture should be accorded different treatment than that given to other commodities.

At the initial hearing counsel for the Commission took strong exception to the joinder of 27 applicants in a single application rather than each operator filing a separate application. On this and other grounds he moved for dismissal of the application.¹⁵ In this connection he argued that the need for uniformity of warehouse rates is not a self-evident proposition. Counsel also objected to the receipt of exhibits purporting to show operating

¹⁴ In addition to notices of hearing issued by the Commission, approximately 3,500 notices were distributed by applicants.

¹⁵ Counsel also based his motion on the technical point that the application was signed by none of the applicants, but solely by an individual designated as their attorney in fact.

results for only 18 applicants as justification for the sought relief for a total of 27 applicants. In reply to these arguments, counsel for applicants asserted that the filing of separate applications would place an unbearable expense burden on applicants, and pointed out that in previous increase proceedings this Commission had repeatedly authorized rate increases uniformly to groups of warehousemen parties to a single application. He argued for the necessity of uniformity of rates as among all the applicants herein, adding that he was authorized by the operators to state that if the Commission should authorize different increases for different applicants all the operators involved would find it necessary by force of competition to advance their rates by no more than the smallest increase thus authorized.

Conclusions

Disposition first must be made of the question as to whether applicants herein are properly joined together in the single application herein. We have reviewed the decisions cited by counsel for applicants and have given due consideration to the explication of those decisions given by him as well as by staff counsel. We conclude that the application as filed is proper, and the aforementioned motion for dismissal of the application is hereby denied. Attention is, however, invited to Note 3, supra.

The question of uniformity is next presented. Aside from the interpretations placed by staff counsel and by applicants' counsel, respectively, on the decisions cited by the latter, the evidence adduced on behalf of applicants relative to the asserted necessity of a generally uniform level of warehouse rates is convincing that any increases which may be authorized as a result of this proceeding should be made equally available to all the operators.

A comparison of the two columns of operating ratios under proposed rates, in Table II, supra, shows that those estimated by the staff are in most instances more favorable than those calculated by applicant's accountant. In both columns are found a few ratios between 80 and 90 per cent and in the applicants' column two are slightly over, and one is considerably over, 100 per cent. The weighted average ratios for applicants' and the staff's groups of operators are 96.3 and 92.3 per cent, respectively. The differences in the two sets of operating ratios are the result of various factors which need not be detailed here. The record discloses that the estimates of neither applicants nor staff give full effect on an annual basis to the wage increases which became effective on June 1, 1956.

While the evidence does not disclose the total annual increase in labor expense for the operators, individually or as a group, which will result by reason of the wage adjustment, it appears from the record that the effect will be to raise the various operating ratios in Table II by two or more percentage points.

As hereinbefore mentioned, evidence was introduced at the hearings relative to operating results experienced by applicants in the rendition of storage services as contrasted with those which obtain in connection with services other than storage.¹⁶ After careful consideration of the matter it is our conclusion that the evidence of record does not justify a finding that a different increase should be authorized for storage rates than for rates applicable to services other than storage. Staff counsel suggested that any relief which the Commission might authorize be made subject to an expiration date, prior to which applicants would be given an opportunity to make a full study to determine the relative costs of these two groups of warehouse services. It does not appear that such a condition should be attached to the increases which will be authorized in the order which follows. However, should occasion later arise for a review of their warehouse rate structures, applicants will be expected to make a full presentation on this subject.

¹⁶ According to the record, storage charges of San Francisco and East Bay warehousemen have increased 32 per cent during the past 21 years, while during the same period handling charges have increased 64½ per cent.

Upon careful consideration of all the facts and circumstances of record the Commission concludes and finds as a fact that the increases proposed by applicants in this proceeding are justified. The application will be granted. Applicants have requested that they be authorized to establish the sought increases on one day's notice to the Commission and to the public. Such short notice does not appear justified. Instead they will be authorized to establish the increased rates and charges on not less than five days' notice. In authorizing the above-described increases we do not make any finding of fact as to the reasonableness of any particular rate or charge.

O R D E R

Based on the evidence of record and on the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that applicants be and they are hereby authorized to establish, on not less than five days' notice to the Commission and the public, the increased rates and charges proposed in the application, as amended, filed in this proceeding.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is subject to the express condition that applicants will never urge before this Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that the opinion and order herein constitute a finding of fact of the reasonableness of any particular rate or charge, and that the filing of rates and charges pursuant to the authority herein granted will be construed as consent to this condition.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 3rd day of August, 1956.

John E. Mitchell
President

James J. Cassel
Rayle L. Lutz

Walter L. Cole
R. Hardy
Commissioners