

**ORIGINAL**

Decision No. 54989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
FARNSWORTH AND RUGGLES, a California  
corporation, to sell, and  
CONSOLIDATED WAREHOUSE COMPANY OF  
CALIFORNIA, a California corporation,  
to purchase certain operating rights;  
And for authority for CONSOLIDATED  
WAREHOUSE COMPANY OF CALIFORNIA  
to issue its capital stock:

Application No. 39014

OPINION AND ORDER

Consolidated Warehouse Company of California seeks authorization to issue and sell \$10,000 of stock to finance the acquisition and operation of the public utility warehouse business of Farnsworth and Ruggles, a corporation, in San Francisco.

Farnsworth and Ruggles joins in the application and seeks authorization to sell to Consolidated Warehouse Company of California its business, goodwill and the warehouse operative rights which were authorized by Decision No. 41066, dated December 22, 1947. Under said decision, Farnsworth and Ruggles was authorized to establish and operate 117,918 square feet of warehouse floor space in the City and County of San Francisco.

The application shows that Consolidated Warehouse Company of California was organized under the laws of the State of California on or about April 4, 1957, that it will be a wholly-owned subsidiary of Consolidated Freightways, Inc., an

interstate highway common carrier of property, and that it intends to take over and to conduct the public utility warehouse operations of Farnsworth and Ruggles in San Francisco and to operate under the name of Farnsworth and Ruggles Drayage and Warehouse Company. It intends to lease the premises Farnsworth and Ruggles now owns and operates, which are located at First and Federal Streets in San Francisco, and to conduct substantially the same type of warehouse business as has been conducted by the present operator. The proposed lease runs until January 31, 1958 and requires a monthly rental of three cents per square foot of the portion of such warehouse which is used by the lessee for warehouse revenue purposes, subject to a minimum rental of \$500 a month.

Upon a review of the application, we are of the opinion and so find that the proposed transfer will not be adverse to the public interest, that the money, property or labor to be procured or paid for by the issue of \$10,000 of stock herein authorized is reasonably required by applicant corporation for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income and that an ex parte order should be entered; therefore,

IT IS HEREBY ORDERED as follows:

1. Farnsworth and Ruggles, a corporation, may transfer its business, goodwill and operative rights to Consolidated Warehouse Company of California, such transfer to be made on or before December 31, 1957.

2. Consolidated Warehouse Company of California may issue not to exceed \$10,000 par value of its common stock, for cash, in order to finance the acquisition and operation of the public utility warehouse business referred to in this proceeding.

3. The authority herein granted shall not be construed to be a finding of the value of the business, goodwill and operative rights herein authorized to be transferred nor as authorizing Consolidated Warehouse Company of California, a corporation, to capitalize such operative rights at an amount in excess of that actually paid to the state or political subdivision for the consideration of the grant of such rights.

4. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs now on file with the Commission, insofar as they name rates, rules and regulations governing the warehouse operations here involved of Farnsworth and Ruggles, to show that Farnsworth and Ruggles has withdrawn or canceled and that Consolidated Warehouse Company of California, doing business as Farnsworth and Ruggles Drayage and Warehouse Company, concurrently has adopted or established, as its own, said rates, rules and regulations. The tariff filings made pursuant to this order in all respects shall comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

5. Consolidated Warehouse Company of California, a corporation, shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

6. The authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 21st day of MAY, 1957.

*John E. [Signature]*  
President  
*Raulo [Signature]*  
*[Signature]*  
*[Signature]*  
*[Signature]*  
Commissioners