

ORIGINAL

Decision No. 12807.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )  
 COMPTON TRANSFER COMPANY, Tallon and )  
 Stanley, owners, for an order grant- )  
 ing permission to establish a line of )  
 class rates and adopt Monroe's "Ship- ) Application No. 9134  
 by Truck" Freight Classification as )  
 a basis for assessing freight charges )  
 resulting in an increase in rates. )

L. A. Monroe and F. J. Stanley, for Applicant

BY THE COMMISSION:

O P I N I O N

E. P. Tallon and F. J. Stanley, operating under the  
 fictitious name of Compton Transfer Company, have made application  
 to the Railroad Commission for authority to increase their schedule  
 of rates under Rules 10 and 11 of General Order No. 51 of this  
 Commission, and to establish on one day's notice Monroe's "Ship-  
 by-Truck Freight Classification No. 2".

A public hearing was conducted by Examiner Williams at  
 Los Angeles.

It was admitted by applicants that they had not been charging  
 their filed scheduled rate of 12½ cents per hundred pounds, but were  
 in effect charging a rate of 15 cents per hundred pounds for all  
 goods transported other than furniture and household goods, such  
 charge being in excess of their published tariff and in violation  
 of statutory law, rules and regulations of the Railroad Commission.

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Applicants have filed as a part of their sworn application a statement entitled "Exhibit B" showing revenues and disbursements, assets and liabilities incurred covering a period January 1st to May 31st, 1923. Under the head of disbursements there is listed salary, F. J. Stanley, \$1,000.00, at the rate of \$200.00 per month, the exhibit reciting that his entire time was devoted to the business. This statement is not borne out by the evidence of Stanley himself, who testified that he did not drive a truck, acting only as manager for the truck or trucks operated and was principally engaged in managing the feed and fuel business of the Compton Company at Compton. Further, this exhibit states that the company owns two trucks of a total value of \$5,618.44, whereas, the evidence of Mr. Stanley, one of the applicants, shows that one of the trucks in question was taken over several years ago at a valuation of \$900.00 and that the second truck was purchased sometime later at a cost of \$3,200.00, or a total original cost to applicants herein of \$4,100.00. Further, there is a balance due on truck contract of \$1,542.84. Applicants also claim depreciation of 25% based upon the claimed value of trucks amounting to \$5,618.44. The 25% claimed for depreciation would infer that a unit of equipment would be valueless within a period of four years, nevertheless, one of the trucks operated by applicants is a 1919 model truck which has been in operation for a period of almost five years and is still being used by this transportation company.

At the request of the presiding Examiner applicants submitted a statement subsequent to the hearing which purported to show shipments actually handled during the period of one week, being the first week, Monday to Saturday, inclusive, for the months January to May, inclusive. This statement showed a minimum gross revenue for one week amounting to \$30.88 and a maximum gross revenue for one week amounting to \$68.31. The total revenue for the

five weeks reported amounted to \$236.54 or an average weekly revenue of \$47.31, multiplied by 22, being the number of weeks in the period reported, would show a total gross revenue for the 5 months of \$1,040.82. Nevertheless, applicants report in their exhibit attached to their application a total revenue amounting to \$3,236.39. Neither the documentary nor verbal evidence submitted in this proceeding bear out the allegation of applicants that they have incurred a deficit amounting to \$1,153.92 in the first five months of 1923, nor in fact any deficit, provided a reasonable amount is allowed for salary of a manager instead of the \$200.00 per month claimed and a reasonable amount allowed for depreciation and other operating and maintenance expenditures. There was, however, no evidence introduced whatsoever in support of the claim of applicants for increases amounting to approximately 100% and we are of the opinion that the present application should be denied without prejudice to the filing of a new application at such time as applicants may have kept, for a reasonable period of time, accurate records of receipts and expenditures incurred in the operation of their public utility business and can submit to the satisfaction of the Commission, evidence to the effect that their business is being operated at a loss and that existing rates are unduly low and unremunerative.

O R D E R

A public hearing having been held in the above entitled application, evidence submitted and the Commission being fully advised,

IT IS HEREBY ORDERED that the above entitled application be, and the same hereby is denied.

Dated at San Francisco, California, this 10<sup>th</sup> day of ~~October~~ November, 1923.

C. J. Seaver  
H. P. Brundage  
Dwight Martin

Commissioners