

Decision No. 15054

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application)
of E. V. Rideout Company to In-)
crease Freight Rates between San)
Francisco and Oakland on the one)
hand, and Mare Island and the)
intermediate points on the other.)

APPLICATION NO. 11082

Gwyn H. Baker, for Applicant.

SQUIRES, COMMISSIONER:

O P I N I O N

This application was filed May 9, 1925 by E.V. Rideout, owner, doing business under the fictitious name of E.V. Rideout Company, for an order under section 63 of the Public Utilities Act for authority to increase certain freight rates on his boat line between San Francisco Bay points and the United States Navy Yard at Mare Island.

Applicant is operating vessels on the inland waters of the State of California, as a common carrier, by virtue of authority granted November 28, 1924 in Application No. 10425. For a period of approximately ten years prior to that date vessels were operated between San Francisco and Mare Island without a certificate, upon the theory that because practically all of the tonnage handled was the property of the Federal Government and hauled under contract no certificate was necessary. This was contrary

to the provisions of the Public Utilities Act and the mistake was corrected by the issuance of a certificate of public convenience and necessity as above stated.

Applicant's readjustments in the proposed rates vary, but the principal change is an increase from \$2.00 to \$2.50 per ton for the movement of miscellaneous freight. The rate is that agreed to in a contract entered into between applicant and the United States Government made to become effective July 1, 1925. Practically all of the tonnage moving to Mare Island is consigned to the Federal Government, approximately 80 per cent being f.o.b. Mare Island, the remainder, while consigned to the Government, is not consigned at a delivery price and, therefore, the charges are paid by the shipper. However, the Government in the final adjustment, according to the evidence, in every instance bears the freight charges and is the only party in interest.

Applicant's contract for the year 1923-24, terminating July 1, 1924, was at a rate of \$2.50 per ton. Effective July 1, 1924 the contract rate was reduced to \$2.00 per ton. For the year ending December 31, 1924, during six months of which period the \$2.00 rate was in effect, applicant earned net only \$809.35; for the period July 1, 1924 to March 31, 1925, nine months at the \$2.00 rate, the net revenue was \$1716.46, but the expenses included only minor repairs amounting to \$3573.86; for the corresponding period of the previous year the repair costs amounted to \$11728.09.

Applicant's witnesses testified that in order to place the boats in proper condition to complete operations for the year 1925, major repairs costing approximately \$7000.00 must be met.

This will create a definite loss under the present rates.

The book value of the floating equipment devoted to the Federal service between San Francisco and Mare Island is given in applicant's annual report as \$78397.49. This equipment consists of three Tugs, four Barges and some minor boat and dock equipment. A witness testified that the replacement value of the operating property today would be \$125,000.00.

The rates to be published are those agreed to in a contract with representatives of the Federal Government, after their inspection and study, and it appears from the exhibits and testimony that the increases are necessary in order to continue the service.

Upon consideration of all the facts of record, I am of the opinion and so find that the present freight rates contained in the tariff of the applicant are unjust, unreasonable and insufficient and that just and reasonable rates are those set forth in Exhibit A, attached to and made a part of the application.

The application should be granted.

O R D E R

IT IS HEREBY ORDERED that E.V.Rideout, operating under the fictitious name of E.V.Rideout Company, be and he is hereby authorized to establish within twenty (20) days from the date hereof the freight rates applying between San Francisco Bay points and Mare Island, as set forth in Exhibit A, attached to and made a

part of the application.

IT IS HEREBY FURTHER ORDERED that the applicant, E.V.Rideout, operating under the fictitious name of E.V.Rideout Company, publish the rates in proper tariffs in the manner prescribed in section 14(a) of the Public Utilities Act.

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 15th day of June, 1925.

H. W. Prudden

C. Leavelle

Egerton Shaw

George D. Squires

James C. ...
Commissioners.