

Decision No. 16891

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
E. H. Peake, operating the County )  
Line Warehouse at Hershey, Yolo County. )  
California, for permission to increase ) Application No. 12751  
Warehouse Rates on Grain, Rice and Raisins )  
and to establish Rules and Regulations. )

L.A. Bailey for applicant.

BY THE COMMISSION:

ORIGINAL

OPINION

This is an application filed by E.H. Peake, an individual, operating the County Line Warehouse at Hershey, Yolo County, California, for authority to increase the season rate maintained for the storage, receiving weighing, piling, unpling and delivery or car loading of grain and rice from \$1.00 per ton of 2000 pounds to \$1.25 per ton of 2000 pounds and of raisins from \$1.50 per ton of 2000 pounds to \$1.75 per ton of 2000 pounds. Permission is also requested to establish various rules and regulations to govern the storage and handling of these commodities as shown in Exhibit "A" of the application.

A public hearing was held before Examiner Geary at Marysville May 24, 1926 and the application having been duly submitted is now ready for our opinion and order.

The warehouse at Hershey is operated under a lease arrangement whereby the owners of the property are compensated 25 cents per ton per season for all commodities stored. The amount received by the owners is insufficient to cover depreciation, taxes, repairs and net a reasonable return on the capital invested in the warehouse and the other facilities devoted to the public service. Applicant has been notified that in the future the season rental will be increased to 45 cents per ton.

Applicant contends that the revenues received under the present rates are insufficient to adequately compensate for the responsibilities as a public warehouseman, nor is it sufficient to allow for any increase in the present rental charge.

The major portion of the revenue is derived from the storage and handling of grain and rice and a small quantity of raisins. In 1925 the grain handled amounted to 8528 tons; the rice 491 tons and the raisin 41 tons. The operating revenue for the same year was \$9060.00 and the operating expenses \$8308.75, resulting in a net income of \$751.25. The operating expenses represent actual out-of-pocket expenditures, including an allowance to Mr. Peake as compensation for devoting his entire time to the management of the warehouse properties.

During the years 1923, 1924 and 1925 the operating results showed a net income profit of \$575.25, \$266.45 and \$751.25, respectively. Based on the contemplated rental charge of 45 cents per ton the revenues under the present rates for the operations years 1923, 1924 and 1925 would have resulted in net income losses of \$1055.75, \$1233.75 and \$1060.75 respectively, and under the proposed rates in net income profits of \$983.00, \$641.50 and \$1204.25, respectively.

An exhibit submitted by a witness for applicant shows that the rates proposed compare favorably with those now charged by the principal warehouses in the Sacramento Valley which for grain are from \$1.25 to \$1.86 per ton and for beans from \$1.25 to \$2.00 per ton.

The rules and regulations applicant proposes to establish are practically the same as those maintained by the major warehouses in this territory and are primarily for the purpose of clearly setting forth the privileges and conditions under which the handling and storing of these commodities will be performed.

Upon consideration of all the facts of record we are of the opinion and find that applicant should be permitted to increase the rate for the storage and handling of grain and rice from \$1.00 per ton of 2000 pounds per season, to \$1.25 per ton of 2000 pounds per season, and on raisins from \$1.50 per ton of 2000 pounds per season to \$1.75 per ton of 2000 pounds per season and to publish and maintain the rules and regulations shown in Exhibit "A" of the application.

ORDER

This application having been duly heard and submitted, full investigation of the matters and things involved having been had and basing this order on the findings of fact and conclusions contained in the opinion, which said opinion is hereby referred to and made a part hereof.

IT IS HEREBY ORDERED that applicant, E.H. Peake, an individual, be and he is hereby authorized to establish, by proper tariff publication, and to thereafter maintain for the storage, receiving, weighing, piling, unpling and delivery or car loading of grain, rice and raisins at the County Line Warehouse at Hershey, California, a rate on grain and rice of \$1.25 per ton of 2000 pounds per season ending May 31st of each year and a rate on raisins of \$1.75 per ton of 2000 pounds per season ending May 31st of each year and to concurrently publish and maintain the rules and regulations as set forth in Exhibit "A" attached to and made a part of the application.

Dated at San Francisco, California this 11th day of June, 1926.

H.B. Burdige

C. J. Seaver

Leon Whitely