

Decision No. 16892

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of Andrew Schmidt operating a  
public warehouse at Oswald, California  
for authority to increase the warehouse  
rates on wheat, barley, oats and rice  
and to establish various rules and regu-  
lations. ) Application No. 12752

L.A. Bailey )  
W.H. Carlin ) for Applicant.

ORIGINAL

BY THE COMMISSION:

OPINION

This is an application filed by Andrew Schmidt, an individual, operating a public warehouse at Oswald, California for authority to increase the season rates for the storage, receiving, weighing, piling, unpling and car loading of wheat, barley and oats from \$1.00 per ton of 2000 pounds to \$1.25 per ton of 2000 pounds and on rice from \$1.75 per ton of 2000 pounds to \$2.00 per ton of 2000 pounds. Permission is also requested to establish various rules and regulations governing the storage and handling of these commodities as set forth in Exhibit "A" attached to 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 now in operation at Oswald has a storage capacity of 3000 tons and represents a capital investment in property and facilities of approximately \$8500. The record indicates that applicant has for the past three years operated this property at an actual out-of-pocket loss. In 1923 the operating revenue was \$1397.57, in 1924 \$1088.74 and in 1925 \$1839.18, while for those three years the operating expenses were \$2698.15, \$2965.25 and \$2830.00, respectively, resulting in an operating loss of \$1300.58 for 1923,

\$1876.51 for 1924 and \$990.82 for 1925. The operating expenses only include actual expenditures and do not include any overhead expenses such as depreciation, interest on investment, management, etc.

This unfavorable showing is attributed by applicant to the fact that when the warehouse was first established, the acreage in the vicinity of Oswald was largely devoted to the raising of grains, but in recent years a considerable portion of the grain land has been devoted to the production of fruits.

Applicant maintains that the proposed rates will not provide sufficient revenue to meet the actual operating expenses, and a reasonable return upon the investment, but in view of the competition of warehouses located at Marysville, Yuba City and other points in the immediate vicinity no higher rates can be published and still retain the tonnage to his warehouse.

The rules and regulations applicant proposes to establish are practically the same as those maintained by the major warehouses in the Sacramento Valley 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 wheat, barley and oats from \$1.00 per ton of 2000 pounds per season, to \$1.25 per ton of 2000 pounds per season, and on rice from \$1.75 per ton of 2000 pounds per season to \$2.00 per ton of 2000 pounds per season and to establish 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, Andrew Schmidt, 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 wheat, barley, oats and rice at the warehouse at Oswald, California, a rate on wheat, barley and oats of \$1.25 per ton of 2000 pounds per season ending May 31st of each year and a rate on rice of \$2.00 per ton of 2000 pounds per season ending September 30th of each year and to concurrently publish and thereafter 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 11<sup>th</sup> day of June, 1926.

H. P. Bunnigan  
C. L. ...  
Leon Whitell  
Commissioners.