

ORIGINAL

Decision No. 90975

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of the GUERNSEY WAREHOUSE CO. for)
a change of storage tariff rate.)

APPLICATION NO. 14726.

H. S. Brietigam and Rasmus Knudsen,
Applicants in Propria Persona.

BY THE COMMISSION:

O P I N I O N

Applicants herein seek a readjustment of rates for storage in the Guernsey warehouse operated under this name by Brietigam & Knudsen, co-partners, at the village of Guernsey, Kings County. The warehouse was procured by the partnership by purchase from the Tulare Lake Dredging Company under authority of this Commission granted in Decision No. 19323, dated February 6, 1928, and at this time the tariffs, rules and regulations of the predecessor were adopted.

A public hearing herein was conducted by Examiner Williams at Hanford.

The warehouse conducted by applicants at Guernsey is engaged in the warehousing and handling of whole grains only, and it is the contention of applicants that because of the isolated position of the warehouse and the consequent inability readily to employ labor, and also because of the necessity of housing labor after employment, the rates now in force

are not profitable. The principal changes in the rates sought by applicants are an increase of 25 cents per ton per season on grain, and the addition of a rate of \$3.00 a ton on alfalfa seed, not shown in the present tariff. The other rates of applicants are not disturbed, and the rules and regulations appear to provide sufficiently for the methods of receiving, handling and storing grains generally as the business is established among scores of other warehouses in the San Joaquin Valley.

Applicants submitted a statement of their business from January 1 to July 31, 1928, (the period during which they have been in control of the plant). According to this statement, the gross receipts of applicants for the period were \$13,854.49 and the gross expenses \$12,731.58.

The business is divided into three parts, storage and loading being the public utility features, while the milling operations and sales of merchandise constitute the other two operations, and the entire business is included in the figures quoted. The gross receipts from storage and loading during the seven months set up amounted to \$6558.90. The expense of conducting the warehouse business amounted to \$5873.39, leaving a net profit for the seven months of \$685.51. This basis, if projected through a 12-month period, would show approximately a six per cent return; but such projection would include a dormant period when receipts are very low, and the actual net return during a 12-month period would be less than \$1,000. The investment of applicants is \$21,544.54, and it is apparent that the return shown by the exhibit is low for the nature of the business and for the investment.

Registered letter notice of the increase sought was sent to all of applicants' users of storage and handling, and

no one appeared to protest the change in rates applied for.

We are therefore of the opinion that the readjustment of rates proposed by applicants herein should be granted, as shown in their exhibit attached to the application.

O R D E R

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 facts and the conclusions contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that applicants herein, E. S. Brietigam and R. Knudsen, co-partners operating under the name of Guernsey Warehouse Company, be and they are hereby authorized to establish, on five (5) days' notice to the Railroad Commission and to the public, the rates, rules and regulations shown in paragraph 3 of their application herein.

The effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 18th day of October, 1928.

C. Seaver

Thos. S. Lovitt

W. J. Cunn
COMMISSIONERS.