

Decision No. \_\_\_\_\_

ORIGINAL

Decision No. 2720

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )  
of T. H. Dixon for an order auth- )  
orizing an increase in warehouse )  
rates. )

Application No. 1733.

DEVLIN, Commissioner.

OPINION

This is an application by T.H.Dixon, a warehouseman of Grafton, for an order authorizing him to increase rates for the storage and incidental handling of grain at Knights Landing, Yolo County. The rate at present charged by applicant is 50¢ per ton per season, which includes the usual warehouse service of receiving, weighing, piling, carrying in storage and delivery of grain upon order of the holder of warehouse receipt; however, this rate does not include the service of resacking nor the furnishing of sacks for that purpose.

The rate requested under this application is 75¢ per ton per season, to be applied to the storage of all kinds of grain at present handled, and in addition to the usual warehouse service given, will, if authorized, embrace all necessary resacking, including sacks and otherwise placing grain in proper condition for shipment.

The property involved has been operated by its present owner since July 1, 1914, prior to which date no satisfactory statements of earnings and expenses were available. Applicant has

furnished the following table showing expenditures for the year 1914-15.

Labor -----	\$815.00
Drainage Tax -----	1.35
Insurance -----	45.00
Taxes -----	53.19
Reclamation Tax -----	87.58
Repairs & Fixtures ----	125.00
Interest -----	210.00
Liability Insurance ---	17.50
Total -----	\$1354.62

Earnings for the year named amounted to \$1234.00, indicating an operating loss of \$120.62.

The foregoing items of expense represent cash actually paid out as shown, with the exception of the \$815.00 allowed for labor. Of this sum applicant has assumed that \$60.00 per month for a period of three months would be a fair allowance for his own services as laborer and superintendent. The allowance does not appear to be too high. The balance of \$635.00 paid for the employment of four regular men at \$2.50 per day for a period of approximately three months, and three additional men during rush periods. The reasonableness of this item cannot be questioned. Some of the repairs and fixtures covered by the \$125.00 item are of a more or less permanent nature, the cost of which should be distributed over a number of years. One-fourth of this amount would probably be sufficient for annual repairs. The interest item of \$210.00 represents a mortgage indebtedness of \$3000.00 not yet liquidated.

Applicant paid \$5,000.00 for the warehouse property, allowing \$3500.00 for the structures and \$1500.00 for the two lots on which the warehouse stands. The warehouse was built in 1902. It is a wood structure throughout, measuring 60x110 feet, with a wing 50x64 feet, and has a grain capacity of about 2500 tons. As located, its useful life would probably not be over forty years. Equipment and facilities are of the kind usually found at an interior warehouse, consisting of hoists, hooks, ladders, trucks and scales, - one portable and one stationary type.

Notwithstanding the fact that this warehouse was built so as to make through driveways impracticable, necessitating expensive handling by truck from outside doors, it nevertheless parallels the Sacramento river and enables warehousemen to make direct transfer of grain when loading out to craft moored at the landing. At the present time all grain is shipped out via vessels, although rail facilities are accessible and could be used in an emergency.

Applicant's rates are at present 25¢ per ton lower than charges assessed by the majority of warehousemen operating in Sacramento Valley. This is made possible by reason of the fact that out-loading from warehouses located on navigable rivers and sloughs is usually done by the boat's crew. Rates authorized under this application will contemplate a continuation of this practice. If applicant should for any reason be compelled by circumstances to ship grain by rail, necessitating a drayage charge, an amount not to exceed 25¢ per ton will be charged for loading cars, as has been indicated in applicant's tariff heretofore filed with the Commission.

In justification of the proposed increase in rates, applicant claims that under his present charges not only is there a failure to realize interest on his investment of \$5,000.00, but that an actual deficit has resulted for the only year which the present owner has conducted the warehouse; that owing to the inferior quality of labor at present obtainable and also to the enforcement of shorter hours, the cost of service is considerably higher than when the rate now in effect was established; and that the nature of the crops now offered for storage differs materially from that of a few years ago. Whereas wheat was formerly the chief grain produced, over 90% of the grain at the present time in applicant's warehouse is barley. The testimony showed that while a given weight of barley would occupy more space than an equal weight of wheat, the handling cost would not perceptibly

diminish. There was nothing in the evidence produced tending to controvert applicant's contention in these matters.

Another strong feature of this investigation pointing to the fairness of the rate requested by applicant was the fact that at the hearing not a single patron, or other interested party, was present to protest against the establishment of the rate sought, notwithstanding the fact that personal notice had been given to each of applicant's present and former patrons.

While the rate of 75¢ per ton per season will, if allowed, be apparently a direct increase of 25¢ per ton on all stored grain, it will, as a matter of fact, be much less than that, for the reason that under such rate applicant will assume all responsibility and expense for necessary resacking, including sacks, or otherwise placing grain in proper and safe condition for shipment. It was claimed by applicant that resacking and overhauling charges have, in the past, amounted to about 20¢ per ton, from which it would appear that the increase asked for would actually amount to but 5¢ per ton per season.

For the foregoing specific reasons, and because of the general conditions surrounding this service,-

I find as a fact that 50¢ per ton per season for grain stored in applicant's warehouse at Knights Landing is an unreasonably low rate;

And I further find as a fact that 75¢ per ton per season is a just and reasonable rate for such service.

I recommend the following form of Order.

#### ORDER

T.E. Dixon, a warehouseman at Grafton, Cal., having applied to the Railroad Commission for an order authorizing an increase in rates for the storage of grain in his warehouse at Knights Landing and a hearing having been held upon said application and the Commission being fully advised in the premises:

IT IS HEREBY ORDERED that the application be granted and that

applicant be permitted to charge and collect for the storage of grain the rate herein found to be just and reasonable for the service, viz; 75¢ per ton per season.

IT IS FURTHER ORDERED that the collection of this rate shall be conditioned upon the rendering of first class service, as heretofore given, such as receiving, weighing, piling, carrying in storage, and such other service as is customary for warehousemen similarly situated to give, and, in addition thereto, all necessary resacking, including the furnishing of sacks, or otherwise placing grain in proper condition for shipment.

IT IS FURTHER ORDERED that the rate herein found to be just and reasonable shall become effective immediately upon filing with the Railroad Commission a schedule, in duplicate, showing the same and the conditions upon which it may be collected.

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 this 30th day  
of August, 1915.

Max Shelen

Alex Gordon

Frank R. Dehn