

ORIGINAL

Decision No. 2830

In the matter of the application of T. B. CHANNON and T. J. LONG for an order authorizing an increase in the rates of storage charges on rice and other grain in Gridley.

Application No. 1876.

Henry Ingram for applicant.

O P I N I O N.

BY THE COMMISSION:

This is an application by T. B. Channon and T. J. Long, proprietors of three warehouses at Gridley, Butte County, for permission to increase their rates for the storage of rice and other grain.

Applicants own the warehouses known as Gridley Warehouse No. 1 and No. 2, having a storage capacity of approximately one thousand and twenty-five hundred tons of grain, respectively, and they are the lessees of the warehouse known as Stone's Brick Warehouse which has a storage capacity of approximately 2,000 tons of grain. The rates now charged by applicants for storage are as follows:

- On wheat, barley, oats and grain:
- \$.50 per ton from June 1st to January 1st.
- \$.65 per ton for the entire season.
- On rice:
- \$.50 per ton for first month.
- \$.75 per ton to January 1st.
- \$ 1.00 per ton for entire season.

In both cases applicants charge \$1.00 per ton additional on all partial deliveries.

From the evidence it appears that the average annual gross receipts for the years ending June 1st, 1912, 1913 and 1914 were \$5112.65 and that the average annual operating expenses, exclusive of interest and depreciation, for said period was \$2618.08 leaving an average annual surplus of receipts over disbursements of \$494.57. Applicants //

testified that the land upon which the warehouses were located consisting of approximately 16 acres (the whole of two city blocks) was worth \$4,000.00. and evidence was introduced to the effect that the reproduction value new of warehouses Nos. 1 and 2 together with the wagon scales and scale house, is \$15,250.55. Applicants lease the warehouse known as Stone's Brick Warehouse at an annual rental of \$400.00 under a lease which requires applicants to make all the repairs necessary upon said building.

Although proof was made that the notice of this application was mailed on September 25th to every customer of applicants, no one appeared to protest against the rates being increased and we find that applicants are entitled to have their rates increased as hereinafter set forth. Applicants are apparently rendering satisfactory service to their customers and the only salaries they have added to the expense accounts which they have not actually paid in cash are an allowance of \$25.00 per month apiece to themselves for their personal services. We find this allowance to be entirely reasonable as Mr. Long attends to most of the office work and Mr. Shannon spends a large part of his time in the warehouse during the busy season, overseeing the laborers and assisting personally in handling the grain.

Perhaps the most difficult problem presented by the evidence is the fixing of proper rates for the storage of rice which is "ricked" or "cribbed". There is no question but that considerably more labor and space are required in stacking and storing rice when it is ricked or cribbed than when it is stacked in the ordinary manner. Applicants ask for an increase in rates of \$1.00 per ton for rice so stored but they themselves have had so little experience in this method of storage that their testimony as to the additional cost was necessarily vague. We are allowing an additional

charge for rice stored in this manner of 70¢ per ton, which from the evidence thus far presented to this Commission seems reasonably fair to both sides. We also find that the storage season for rice should be later than the storage season for grain, as the rice crop is harvested later in the season.

O R D E R

T. B. CHANNON and T. J. LONG, warehousemen, having applied to the Railroad Commission for an order authorizing an increase in rates for the storage of rice and other grain in their warehouse at Gridley, Butte County, and a public hearing having been held upon said application, and the said application having been submitted and being now ready for decision, the Commission hereby finds as a fact that the rates hereinafter authorized are just and reasonable rates to be charged by said applicants.

Basing its conclusions upon the foregoing finding of fact and on the other findings which are contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that applicants be authorized to charge and collect the following rates, viz:

For storage of rice piled in the ordinary manner:

\$.80 per ton for the first two months;
1.00 per ton for the season, from August 15th to and including the 14th of the following August.

For the storage of rice when "ricked" or "cribbed":

\$1.50 per ton for the first two months;
1.70 per ton for the said season.

For the storage of all other grain:

\$.75 per ton for the first two months;
.90 per ton for the season, from June 1st to
and including May 31st.

IT IS FURTHER ORDERED that the collection of these rates 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 it is customary for warehousemen similarly situated to give, and in addition thereto all necessary resacking, including the furnishing of sacks, or otherwise placing of rice and other grain in proper condition for shipment.

IT IS FURTHER ORDERED that the rates herein authorized shall become effective upon all rice immediately upon filing with the Railroad Commission a schedule, in duplicate, showing the same and the conditions upon which they may be collected, and upon all other grain for the season commencing June 1, 1916, provided that applicants shall within thirty days from the receipt of a certified copy of this Order file with the Railroad Commission said schedule in duplicate showing the rates on both rice and other grain.

Dated at San Francisco, California, this 22nd
day of October, 1915.

Max Baer
H. J. ...
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Commissioners.