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Decision No. _____

ORIGINAL

Decision No. 3006

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA.

In the Matter of the Application
of J. M. HAMPTON, JR. for an or-
der authorizing an increase in
the rates of storage on grain in
Live Oak, Sutter County.

Application

No. 1986.

J. M. Hampton, Jr. in propria persona.

BY THE COMMISSION.

O P I N I O N

This is an application by J. M. Hampton, Jr. for permission to increase the rates for the storage of grain in the warehouses known as the Live Oak Warehouses in Live Oak, Sutter County.

The warehouses are generally designated as No. 1 and No. 2. Warehouse No. 1 consists of a main building of approximately 40 x 300 feet together with a wing of approximately 40 x 160 feet, the wing being used exclusively for the storage of hay. Warehouse No. 2 is approximately 85 x 130

feet; the walls of both warehouses being about 12 feet in height. Both buildings are constructed throughout of wood and are at least 34 years old. Comparatively recently the roof of Warehouse No. 1 has been about three-quarters, and the roof of Warehouse No. 2 has been about one-quarter covered with corrugated iron; and it is the intention of the owner in time so to cover the whole of each roof. The buildings are located upon land adjoining the right-of-way of the Southern Pacific Company, and are served by a regular industrial siding. Applicant holds a one-year lease from the Southern Pacific Company of the land upon which each warehouse is situated, at a total annual rental of \$19.

According to the testimony it appears that early in 1914 applicant acquired the warehouses from his father at the price of \$5,000.00, \$2,000.00 of which he paid in cash, the balance being still due and owing. The rates at present charged by applicant for storage are as follows:

Hay: \$1.25 per ton per season.

Beans: \$.50 per ton for the first month.
\$1.00 per ton per season.

Grain: \$.50 per ton to January 1st.
\$.75 per ton per season.

NGM
The season in every case ~~shall~~ runs from June 1st to May 31st.

According to applicant's testimony the

gross receipts of the warehouse company for the year 1914 were \$1030.00, and for the year 1915 he estimated that they would be approximately \$1500.00. Applicant further testified that his operating expenses for the last mentioned year would be approximately as follows:

Salary of himself as manager	\$1200.00
Extra help	400.00
Insurance	60.00
Repairs	300.00
Taxes	55.00
Rent	<u>19.00</u>
Total	\$2014.00

Applicant testified that he works at the warehouse, on the average, not less than ten hours per day, and that he works as a warehouse laborer as well as manager and bookkeeper. Under the circumstances he estimated that his services were worth \$100. per month; but we find that he is also conducting an insurance business and operating a small rolling mill upon the premises and while these may take only a small portion of his time we feel that \$75.00 per month is a liberal amount to allow him for his services to the warehouse business. This would make the total maintenance and operating expenses approximately \$1700.00 per year without making any allowance for interest upon the investment. We feel that applicant is not entitled to any allowance for depreciation owing to the large amount devoted to repairs each year on account of the extreme age of the buildings.

While this Commission has in one or two

other cases fixed storage rates for grain at \$.90 per ton per season, we feel that owing to the comparatively small amount of grain handled by applicant, and his comparatively heavy fixed charges that he should be allowed to charge \$1.00 per ton. According to the evidence, applicant is giving first-class service to his customers and although all of them were notified of the hearing not one appeared to protest against the proposed increase.

rem. The question was raised at the hearing as to whether extra sacks for resacking should be supplied by the owner or by applicant. In almost all cases we have established rates upon the basis of the warehouseman doing ^{the} resacking and furnishing the necessary sacks at his own expense and we see no reason for departing from the rule in this instance. Very little resacking is necessary unless the grain is allowed to remain in storage for more than one season, in which case the additional charge for the storage, without the corresponding additional cost of handling the grain, has been estimated to be sufficient to pay for any sacks required. Applicant has not asked for any increase in his storage rates for hay, beans or any other commodity and these will consequently not be affected by this Order.

O R D E R

J. M. HAMPTON, JR. having applied to the Railroad Commission for an order authorizing an in-

crease in the rates for the storage of grain in his warehouses at Live Oak, Sutter County, and a public hearing having been held upon said application and said application having been submitted and being now ready for decision, the Commission hereby finds as a fact that the existing rates on grain are non-compensatory and unreasonable and that the rates hereinafter authorized are just and reasonable rates to be charged by said applicant.

Basing its conclusions upon the foregoing findings of fact and upon the other findings which are contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that applicant be, and he is hereby, authorized to charge and collect the following rates for the storage of grain, viz:

\$.75 per ton for the first two months,

\$1.00 per ton for the season, from June 1st to 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 grain in proper condition for shipment.

IT IS FURTHER ORDERED that the rates herein authorized shall become effective upon grain for the season commencing June 1st, 1916, provided that applicant shall within sixty (60) days from the date of this order file with the Railroad Commission a schedule in duplicate showing the rates herein authorized, and all other rates charged for other commodities stored by him.

Dated at San Francisco, California, this 28th day of December, 1915.

Max Thelen

H. D. Leland

Frank R. Dyer

Commissioners.