

ORIGINAL

Decision No. 3271

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of
A. C. H. SCHMIDT for authority to in- } Application No. 2168.
crease rates for the storage of grain. }

BY THE COMMISSION.

O P I N I O N.

This is an application by A. C. H. Schmidt, who operates a warehouse at Oswald, Sutter County, for authority to increase rates for the storage of grain from 75¢ per ton to \$1.00 per ton per season, upon which a public hearing was held in Oswald on April 17, 1916.

Rates filed with the Commission by applicant's predecessor for warehousing grain are as follows:

Storage - To January 1st.....	50¢ per ton.
For season.....	75¢ per ton.
Loading through warehouse.....	35¢ per ton.
Weighing.....	25¢ per draft.

The evidence indicated, however, that the seasonal rate of 75¢ per ton, to cover storage to June 1st, is the only grain rate which has been applied during the past few years. The warehouse operated by applicant is constructed in two sections, each 141 feet long by 40 feet wide. The frame of the building is of wood while the walls and roof are of corrugated galvanized iron. Part of the floor is of concrete, the remainder being of

wood. The building is situated on a lot 170 feet square adjoining the tracks of the Southern Pacific Company. The building and lot are owned by W. T. Ellis of Marysville and are leased to applicant at an annual rental of \$300.00. An examination of the property was made by E. F. McAuliffe, one of the Commission's assistant engineers, who estimated the cost of the premises as follows:

	<u>Reproduction Cost.</u>	<u>Depreciation.</u>	<u>Reproduction Cost Less Depreciation</u>
Land	\$ 300.00	-	\$ 300.00
Warehouse Building	<u>7,250.00</u>	<u>\$ 1,812.50</u>	<u>5,437.50</u>
Totals.....	\$ 7,550.00	\$ 1,812.50	\$5,737.50

The evidence further shows that in an effort to utilize all the space possible last season, grain was in some cases piled as high as thirty-two sacks reaching almost to the roof, and that consequently in a number of places the trusses and rafters have been cracked and broken. In this way the roof has been weakened to such an extent that it would now be in danger of falling if subjected to any undue strain. This matter was called to applicant's attention and he has promised that he will repair all the rafters and trusses without unnecessary delay.

It further appears that there has been stored in applicant's warehouse during the last three years an average of approximately 1,500 tons per year, resulting in an average annual income of approximately \$1,125.00.

Applicant testified as to his approximate expenses last year which, exclusive of any allowance for rent or for interest upon the value of the warehouse property were as follows:

Paid for labor in receiving, re-	
sacking and discharging	
grain.....	\$ 600.00
Use of horse in stacking grain.....	100.00
Sacks furnished in resacking grain...	100.00
Books and repairs.....	20.00
Allowance for applicant's own work...	<u>200.00</u>
Total.....	\$1,020.00

Applicant further testified that hereafter the weighing of the grain would cost him annually \$100.00 in addition to all the other items above set forth. Applicant further stated that for three months of the harvesting season he spends practically all of his time on warehouse work, and that during the rest of the year he is always within call of any customer who wishes to remove any of his grain. Under these conditions we consider applicant's allowance for his own services to be decidedly reasonable. As applicant is apparently giving good service to his customers, under all the circumstances of this case we feel that the increase requested should be authorized.

O R D E R.

A. C. H. SCHMIDT, operating a warehouse in Oswald, Sutter County, having applied to this Commission for an order authorizing an increase in rates for the storage of grain as set forth in the foregoing Opinion, and a public hearing having been held upon said application, and the same having been submitted, and being now ready for decision,

WE HEREBY FIND AS A FACT that the existing rate is non-compensatory and unreasonable and that the rate hereinafter authorized is just and reasonable.

Basing our conclusion upon the foregoing findings of fact and upon the further findings contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that applicant be and he is hereby authorized to establish and collect for the storage of grain the price of \$1.00 per ton per season ending June first of each year.

IT IS HEREBY 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 it is customary for warehousemen similarly situated to give, and in addition thereto all ordinary resacking, including the furnishing of sacks or otherwise placing the grain in proper condition for shipment.

IT IS HEREBY FURTHER ORDERED that the rates herein authorized shall not become effective earlier than June 1, 1916, and not until applicant has filed with this Commission the tariff carrying the new rates; said tariff to be filed within thirty (30) days from the date of this Order.

Dated at San Francisco, California, this 21st day of April, 1916.

Max Shelton
H. H. Howard
H. L. Foster

Commissioners.