

Decision No. _____.

ORIGINAL

Decision No. 3272

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of DICKINSON-NELSON CO., a corporation, for permission to increase certain warehouse rates and to decrease others.))))))	Application No. 2087.
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John A. Wilson for applicant.
John W. Galway in propria persona,
protestant.

BY THE COMMISSION.

O P I N I O N.

This is an application by Dickinson-Nelson Co., a corporation organized and existing under the laws of the State of California, for permission to increase certain of its warehouse rates and to reduce others, as hereinafter set forth, and to establish certain charges for unloading hay from cars, and for delivering hay outside of the warehouse premises.

A public hearing was held at Stockton on March 14, 1916. From the evidence it appears that applicant is a close corporation engaged in the business of buying and selling hay, grain, feed, mill stuffs and other products and conducting a warehouse business in the City of Stockton and in the Town of Romain, Stanislaus County.

Applicant owns in the City of Stockton a corrugated iron grain warehouse of approximately 3,000 tons capacity and a hay warehouse of from 4,000 to 5,000 tons capacity, and in the Town of Romain a corrugated iron grain warehouse of approx-

imately 2,500 tons capacity. Applicant's present rates lawfully filed with this Commission are as follows:

STORAGE RATES.

		<u>Rate per ton.</u>
Grain	Minimum Chge. (including two months stge.)	\$.50
Grain	First three months	.75
Grain	For a period over three months, and to the end of the season. (Extra charge for sacks, if any are used, in resacking)	1.00
Beans	Minimum charge for first month	.50
Beans	First two months	.75
Beans	First three months and to end of the season.	1.00
		<u>Rate per bale.</u>
Bags	Empty in Bales per month	.10
Wool	Per month	.10
		<u>Rate per sack.</u>
Potatoes, or Onions	First Month	.05
Potatoes, or Onions	For each succeeding month after the first	.01
		<u>Rate per bale.</u>
Straw	For one season or any portion thereof, beginning June 1st and ending May 31st of the succeeding year	.10
		<u>Rate per ton.</u>
Hay	For one season or any portion thereof-	
	Three-wire bale	1.25
	Four-wire bale	1.00
	Five-wire bale	1.25

TRANSFER RATES

		<u>Rate per ton.</u>
Grain	Transferred and weighed ex cars or boat (On receipt of Grain ex car or boat notice must accompany arrival of commodity, stating whether for storage or transfer. If for transfer, 10 days time is allowed, which is covered by the charge of 15¢ per ton).	\$.15
Grain	Transferred and weighed ex team. (On the receipt of Grain per team, 3 days after the first delivery is made, notice must be given whether it is intended for transfer or storage. If for transfer, shipping orders must be given at the expiration of 3 days).	.25

		<u>Rate per sack</u>
Potatoes, or Onions	Transfer 10 days	.01 $\frac{1}{2}$

Delivery charge on Potatoes or Onions.
A special charge of 25¢ for each delivery ex warehouse to team is made on lots less than carload.

Applicant desires to change its rates as follows:

First, to raise the rate for hay in four-wire bales from \$1.00 to \$1.25 per ton per season or part thereof, and to reduce the rates for three and five-wire bales for the second season and each succeeding season or part thereof from \$1.25 to \$1.00 per ton, so that the charges will be uniform for hay whether baled with three, four or five wires.

Second, to establish the following additional charges for the handling of hay:

For unloading hay from cars prior to storing in warehouse, per ton	\$.25
For delivering in Stockton hay stored, other than to cars or to teams at hay warehouse, per ton	.25
For delivering hay stored in warehouse and putting same in the loft of any building in Stockton, per ton	.50

Applicant has been charging its customers the above rates for the handling of hay, but has never filed the same with this Commission. As to the delivering of hay throughout the city such service can not, in our opinion, properly be considered as a part of applicant's public utility business and accordingly this Commission has no jurisdiction over applicant's charges for such service.

No grain is delivered outside of applicant's warehouse and no extra charge is made for unloading grain from cars or for unloading either grain or hay from wagons or for delivering either grain or hay to wagons upon applicant's premises.

The reason applicant charges for the unloading of hay from cars is that it has to transfer the same to wagons and then haul it into the warehouse. According to the testimony all of the above mentioned transfer rates are based approximately upon the actual cost to applicant for labor and teams in transferring the commodities and even according to the protestant's evidence applicant can not be expected to make any material profits upon these charges.

The reason for applicant having in the past charged more for the storage of three and five-wire bales than for the storage of four-wire bales was that, according to its testimony, there is a great deal of breakage and consequent additional expense in the handling of three-wire bales, while the hay in five-wire bales is, as a rule, packed so much looser than in four-wire bales that it requires considerable more space

for storing. On the other hand, applicant has been subjected to considerable criticism and to charges of discrimination by those who wish to have their hay baled in five-wire bales, and it seems to us that on the whole it is better to make the charges uniform for all styles of bales. We also feel it is only fair to charge less for the second year's storage than for the first owing to saving in the cost of handling.

Applicant has submitted a statement which shows that the hay received for storage in three and five-wire bales as compared with four-wire bales was, for the last three years, as follows:

Year	3 and 5-wire bales. (in tons)	4-wire bales. (in tons)
1913	785	881
1914	1598	1633
1915	1606	544

The statement further shows that if the rates requested in this application had been in force during the last three years applicant would have received on an average \$255.00 more per year for the storage of hay in four-wire bales while its average annual revenue from the second year storage of three and five-wire bales would have decreased \$105.00, making a net yearly gain in applicant's storage charges for hay of \$150.00.

Applicant does not keep its public utility business separate from its commercial business and, accordingly, it is very difficult to ascertain from its accounts whether applicant's warehouse business is now making interest upon its investment or not. Applicant's officers apparently did not themselves know; but from all the evidence we conclude that the granting of the application will not establish rates which are unreasonably high.

O R D E R.

DICKINSON-NELSON CO., a corporation, engaged in the warehouse business, having applied to the Railroad Commission for an order authorizing an increase in certain rates for storage of hay and the establishment of certain rates for deliveries outside of the warehouse premises, and a public hearing having been held upon said application and the matter 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 applicant,

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

IT IS HEREBY ORDERED that applicant ^{and it is hereby} be authorized to charge and collect the following rates, viz:

For the storage of hay in three-wire,
four-wire or five-wire bales, for the
first season or portion thereof. . . .per ton..\$1.25

For the second season and each
succeeding season or portion thereof .per ton..\$1.00

The above charges include the unloading of hay from wagons on the warehouse premises and the delivery of the hay to wagons or cars at the warehouse.

IT IS FURTHER ORDERED that applicant be and it is hereby authorized to charge the following additional rates incidental to receiving or delivering commodities stored at its warehouse in Stockton:

For unloading hay from cars prior
to storing in applicant's warehouse,
per ton.25¢

IT IS HEREBY FURTHER ORDERED that the season for the storage of hay shall commence June 1st of each year and terminate May 31st of the following year.

The authority herein granted is granted subject to the following conditions and not otherwise, to-wit:

1. Applicant must continue to render first-class service to the public.
2. The rates herein authorized for the storage of hay shall not become effective before June 1, 1916.
3. All other rates herein authorized shall become effective ten (10) days after Dickinson-Nelson Co.

shall have filed with this Commission, and shall have posted in a conspicuous place on its premises, a schedule of the new rates.

4. Applicant's rules and regulations now in force and on file with this Commission shall apply to rates herein authorized.

Dated at San Francisco, California, this 22^d
day of April, 1916.

Max Thelen

H. H. Boydland

Alvin Gordon

Edwin O. Edgerton

Frank R. DeWitt

Commissioners.