

ORIGINAL

Decision No. 2281

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of
NORD WAREHOUSE COMPANY to increase its } Application No. 2156.
rates for the storage of grain and hops. }

BY THE COMMISSION.

O P I N I O N.

This is an application by Nord Warehouse Company, a corporation, for permission to increase its rates for the storage of grain and hops in its warehouse at Nord, Butte County.

A public hearing was held in Chico, April 18, 1916. From the evidence it appears that applicant owns and operates a wood frame building 190 feet long by 32 feet 6 inches wide with an addition of 54 by 72 feet. The building is located upon land belonging to the Southern Pacific Company at Nord for which the warehouse company, up to 1915, paid an annual rental under a year to year lease of \$164.50, but last year the rental was reduced to \$25.00 per year.

One of the Commission's assistant engineers, E.P. McAuliffe, after an examination of the property estimated the reproduction cost of the warehouse as \$4,581.15, and the reproduction cost less depreciation as \$2,748.66.

Mr. A. E. Morton, Superintendent and General Manager of the warehouse company testified that the total earnings of

the company for last year were \$872.00, whereas its total expenses were as follows:

Insurance.....	\$ 37.50
Land.....	25.00
Taxes.....	64.58
Labor at \$2.75 per day.....	<u>814.00</u>

Total.....\$ 941.08

In this statement of operating expenses no allowance is made for interest upon the property of applicant nor for any salary to the company's manager, who also testified that he advanced the deficit out of his own pocket. Applicant received for storage last season 592 tons of grain and 1,858 bales of hops. The present rates are as follows:

Grain.

50¢ per ton for the first month,
12½¢ per ton for the second month,
12½¢ per ton for the third month
and the balance of the season,
ending June first.

Hops.

10¢ per bale for the first month,
5¢ per bale for the second month,
5¢ per bale for the third month
and the balance of the season,
ending June first.

The warehouse company in its application, as amended at the hearing, has asked permission to increase its rates so as to charge its customers as follows:

For the storage of grain.

\$1.00 per ton for the season.

For the storage of hops.

15¢ per bale for the first month,
5¢ per bale for the second month,
5¢ per bale for the third month, and
5¢ per bale for the fourth month and
the remainder of the season.

No objection whatever was made to the service rendered by applicant, which service according to all the testimony is satisfactory. Under all the circumstances we feel that the application should be granted.

O R D E R.

NORD WAREHOUSE COMPANY, a corporation engaged in the business of operating a warehouse in Nord, Butte County, having applied to this Commission for an order authorizing an increase in rates for the storage of grain and hops, and a public hearing having been held and said application having been submitted and being now ready for decision,

WE HEREBY FIND AS A FACT that the existing rates are non-compensatory and unreasonable, and that the rates hereinafter authorized are just and reasonable.

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

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

For the storage of grain.

\$1.00 per ton per season ending June first.

For the storage of hops.

15¢ per bale for the first month,
20¢ per bale for the first two months,
25¢ per bale for the first three months,
30¢ per bale for the season ending June first.

IT IS HEREBY 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 similiarly 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 its 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 24th
day of April, 1916.

Max Shuler
H. D. Loveland
W. E. Gordon

Commissioners.