

Decision No. .

ORIGINAL

Decision No. 3343

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of }
FORREST A. PLANT for permission to } Application No. 2231.
raise warehouse rates. }

BY THE COMMISSION.

O P I N I O N .

This is an application by Forrest A. Plant, conducting a warehouse business at Davis, Yolo County, California, for authority to increase his rates for the storage of grain.

A public hearing was held at Davis May 8, 1916. From the evidence it appears that the warehouse property comprises nine lots of Block 5 and ten lots of Block 3, Range F of the Town of Davis, each lot having a frontage of 50 feet by a depth of 120 feet. Upon this property there are three warehouses as follows:

Wood frame warehouse 75 x 257 feet,
Wood frame warehouse 101 x 150 feet,
 (This latter warehouse is built in five
 sections, the fifth section having brick
 walls on two ends and one side.)
Wood frame warehouse 50 x 106 feet,
 with corrugated galvanized iron walls.

All of the warehouses have shingled roofs and 2 inch plank floors.

The equipment consists of two scale houses, two ten-ton wagon scales, two portable 1,000 pound scales, two gasoline engines (for hoisting grain), and hand trucks.

This property belongs to applicant and three members of his immediate family from whom he leases the latter's three-quarters interest in the property for \$1,200.00 cash per year, in addition to the assumption of taxes, insurance and repairs.

Applicant at present charges for the storage of grain 50¢

per ton per season and makes an additional charge of 20¢ per ton for loading the grain upon cars, making the total charge 70¢ per ton, in addition to which applicant charges the owner for all resacking. He also charges 10¢ per ton for weighing out.

The rates which applicant requested permission to charge are as follows:

For storage per season.....75¢ per ton.

Extra charge for loading on cars....25¢ per ton.

Resacking of grain stored for one season or less to be included in the above rates, but when stored for more than one season resacking to be at owner's expense.

Applicant submitted figures showing that the total earnings of the warehouse business for the last three years were as follows:

1913.....	\$ 980.00
1914.....	6,440.00
1915.....	<u>6,300.00</u>
Total.....	\$13,720.00

Average gross receipts per
year.....\$4,573.33

According to applicant's testimony his expenses for the same period were approximately as follows:

Labor, 1913.....	\$ 455.00
Labor, 1914.....	3,040.00
Labor, 1915.....	<u>3,000.00</u>
Total.....	\$ 6,495.00

Average labor.....	\$ 2,165.00
Insurance, average.....	180.00
Taxes, average.....	270.00
Repairs, average.....	<u>200.00</u>
Total.....	\$ 2,815.00

In the above statement no allowance is made for applicant's services which he testified he considered to be reasonably worth \$125.00 per month. Mr. Plant manages the warehouse business, does all the bookkeeping and has no clerical assistance. He apparently renders satisfactory service to all his patrons; but as the warehouse business occupies only a portion of his time and as he is also an attorney at law, a notary public and an insurance agent, he is not entitled to as much as if he were devoting all his time to the business. Under all the circumstances, we feel that \$720.00 per year for his services would be a fair allowance.

Applicant estimated the total value of the warehouse property above described at \$24,000.00. While we consider this valuation rather high still we do not think that an interest allowance upon a valuation of \$20,000.00 would be excessive. According to applicant's testimony the cost of resacking will consume most of the increase requested, but he feels that in order to avoid unnecessary friction with the purchasers of grain it is for the best interests of all concerned for warehousemen to do all ordinary resacking at their own expense.

With such wide variation of gross receipts as appears between the year 1913 and the years 1914 and 1915, it is difficult to make even an approximate estimate as to what the average gross receipts will be in the future. For example, according to the testimony of applicant, as corroborated by the opinions of several of applicant's customers who were present at the hearing, this year's grain crop in the vicinity of Davis will be very light indeed, applicant estimating that his total receipts for the year will not exceed \$700.00. While in our opinion this is an extremely low estimate, there is apparently small question but that applicant's receipts this year will fall below his actual operating expenses including his own salary but not including interest upon the investment.

On the other hand, we feel that applicant should not be authorized to make an additional charge for the resacking of grain stored for more than one season; and, accordingly, we shall authorize rates which will cover all ordinary resacking irrespective of the length of time the grain is stored. It further appears that applicant makes no loading charge for grain that is called for by the owners in wagons and the following order is based upon the theory that he contemplates the continuance of this practice.

O R D E R.

FORREST A. PLANT, engaged in the business of operating a warehouse in Davis, Yolo County, having applied to this Commission for an order authorizing an increase in the rates for the storage and handling of grain, 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 conclusions 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 he is hereby authorized to establish and collect the following rates:

For the storage of grain, including the loading out upon cars:

\$1.00 per ton for the first season,
75¢ per ton for each succeeding season.

For the storage of grain which is called for and loaded on wagons or trucks by the owners, 75¢ per ton per season; the season in every case to end June 1st.

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 in, 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, nor unless applicant shall file the same with this Commission within thirty days from the date of this Order.

Dated at San Francisco, California, this 19th day of May, 1916.

Max Shelton

H. D. Overland

Frank R. Dehn
Commissioners.