

Decision No. 3372

ORIGINAL

Decision No. _____.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of }
FARMERS STORAGE COMPANY OF COLUSA } Application No. 2228.
for authority to increase warehouse }
rates. }

H.F. Osgood for applicant.

BY THE COMMISSION.

O P I N I O N.

This is an application by Farmers Storage Company of Colusa, a corporation engaged in the warehouse business in the Town of Colusa, hereinafter designated and referred to as the "warehouse company" for authority to increase its storage rates. Applicant's present rates are as follows:

- Storage to December 31st..... 50¢ per ton.
- Storage for the season ending May 31st. 75¢ per ton.
- For loading out..... 15¢ per ton.
- (The warehouse company charges the owner in addition, the actual cost of resacking.)

Under this application the warehouse company is asking authority to establish the following new rates in lieu of its existing rates, namely:

- For the storage of rice, per season.... 85¢ per ton.
- For the storage of other grain, per
season..... 65¢ per ton.
- For loading out..... 15¢ per ton.
- Owner to be charged for actual cost of resacking.

According to the evidence from 90 to 95% of the grain stored is shipped down the Sacramento River by steamers. In practically all of these cases the loading out is done by the steamship companies, and no loading charges are made by applicant. Moreover, whenever an owner wishes to do his own loading applicant allows him to do so without charge. The rates hereinafter authorized are based upon the assumption that applicant will continue these practices.

A public hearing was held at Colusa May 17, 1916. From the evidence it appears that the warehouse company operates three warehouses in Colusa fronting on the Sacramento River, one of which it owns and two of which it leases from Colusa Warehouse Company at a rental figured in a rather complicated manner and depending upon profits earned by the applicant. This rent for the last six years has averaged \$1,337.85.

The property owned by applicant consists of a block of land 260 x 320 feet which was bought in 1903 for \$1,500.00, a corrugated galvanized iron warehouse 100 x 320 feet with a 2" wooden floor, scale house, scales and equipment. The improvements including scales and other equipment according to the testimony actually cost the warehouse company \$14,913.12, making the total original cost of all the warehouse property owned by applicant \$16,413.12. The warehouse company's witnesses testified that the land is, in their opinion, now worth \$4,000.00 and that the total life of the warehouse will probably be about thirty-five years. They also testified that the warehouse properties under lease were reasonably worth \$30,000.00.

Applicant has complete accounts covering receipts and operating expenses for the last six years, the average for this period, not including among the expenses any allowance for rent, interest or depreciation, being as follows:

Receipts.....	\$6,220.10
General Expenses (including over- head, secretary's salary at \$20.00 per month, taxes, etc.).....	\$ 883.05
Maintenance (repairs, etc.).....	122.44
Labor (including manager's salary).....	<u>2,633.09</u>
Total.....	<u>3,638.58</u>
Balance, to cover interest and depre- ciation on all three warehouse properties.....	\$2,581.52

It has been the policy of the Commission in authorizing new rates to encourage as far as practicable the assumption by the warehouse companies of all ordinary resacking expenses and we believe that this practice will, as a rule, prove of advantage to the warehouse companies, the growers and the buyers; but in this particular case the testimony shows that the warehouse company has never had any trouble whatever with buyers over its charges for resacking, and, furthermore, that the patrons of the warehouse company would prefer having the company charge the actual cost of resacking under the rates requested rather than to have the warehouse company increase the proposed rates sufficiently to enable it to include in them the resacking charges.

Under all the circumstances we feel that the application should be granted as requested.

O R D E R.

FARMERS STORAGE COMPANY OF COLUSA, a California corporation engaged in the business of operating three warehouses in the Town of Colusa, having applied to this Commission for an order authorizing an increase in its storage rates, 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 it is hereby authorized to establish and collect the following rates:

For the storage of rice, per season
ending June 1st..... 85¢ per ton.

For the storage of other grain, per
season ending June 1st..... 65¢ per ton.

For loading out, in addition to the
above rate..... 15¢ per ton.

Resacking to be charged for at actual cost of sacks
and labor.

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.

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 in duplicate with this Commission within thirty (30) days from the date of this Order.

Dated at San Francisco, California, this 24th day of May, 1916.

Max Thelen
H. Stoveland
Frank R. DeWitt
Commissioners.