

Decision No. \_\_\_\_\_

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of  
J. W. ELY, as Administrator of the Es-  
tate of J. H. Ely, deceased, for per-  
mission to raise the annual rates of  
storage upon grain and produce deposited  
in the Ely Warehouse at Norton Station.

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} Application No. 2938.  
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}

Decision No. 4494

Hudson Grant for applicant.

BY THE COMMISSION:

O P I N I O N

A public hearing was conducted by Examiner West-  
over upon above application to increase present rate from 70¢ per  
ton to \$1.00 per ton for the storage and handling of grain and pro-  
duce per season in warehouse at Norton Station, in Yolo County.

This warehouse was built by applicant's father,  
J. H. Ely, between 1875 and 1880 and rebuilt about 13 years ago.  
J. H. Ely operated it until his death about a year ago in connec-  
tion with his ranch upon which it is located. Since then applicant  
has operated both warehouse and ranch, as administrator of the es-  
tate of his deceased father.

As the application is by an administrator, and  
his interest in the property as such is of a temporary character,  
the order herein will be made to apply to the heirs and distributees  
of the estate so that it may not become necessary in the near future  
to make another application herein.

Applicant could not show the cost of the warehouse  
but he values the building including the land on which it stands,  
and that which is used and reasonably useful in connection therewith  
at about \$5,000. For two years he has supplied the labor under contract  
for storing grain and produce in the warehouse and for removing it from the

warehouse, being paid an agreed rate of 20¢ per ton for each operation. The labor for this purpose was and is supplied by applicant from the labor steadily employed on the ranch which he operates. Such labor has heretofore cost him about 12¢ per ton for labor each way in receiving grain into the warehouse and loading into the cars. The reason offered for asking the increase in rate is the increased cost of labor and supplies incident to the business and the increased cost of boarding the men. The testimony indicates that the increased cost for labor is about 20%. The revenue earned by this warehouse for the last five years is shown by annual reports of the operations to be as follows:

	<u>Operating Rev.</u>	<u>Operating Exp.</u>	<u>Net Operating Rev.</u>
1912	\$1,119.00	\$ 904.78	\$ 214.22
1913	1,023.80	605.93	417.87
1914	1,884.62	1,352.41	532.21
1915	1,450.86	929.33	521.53
1916	1,348.53	939.09	409.44
Total	<u>\$6,826.81</u>	<u>\$4,731.54</u>	<u>\$2,095.27</u>
Average	\$1,365.36	\$ 946.31	\$ 419.05

Operating expenses for last season include labor at 20¢ per ton and \$120 for interest on \$2000, mortgage on the building, proceeds of which was used in rebuilding it thirteen years ago. Taxes and insurance are also included but no allowance for depreciation. No salaries are included.

Notice of hearing was sent to applicant's patrons stating that a rate of \$1.00 per ton was requested. No objection to an increase was offered. Applicant stated that several patrons had expressed a willingness to pay an increased rate. Applicant proposes that the rate requested shall include storage and all handling of grain and rice, including receiving, trucking, piling, loading and resacking, including sacks.

Inasmuch as the amount of resacking which becomes necessary depends principally upon the quality of the sacks and their condition when the grain is stored, and the work of rats and insects, and upon other circumstances beyond the control of the warehouseman, cost of this service should not be required to be borne by him, included in a fixed flat rate. For similar reasons, it would be unjust to require each patron of a warehouse to pay in a fixed flat rate for service rendered to only part of the patrons. We have therefore concluded to fix a rate of 90¢ for storage and handling with allowance to cover extra labor and materials where resacking becomes necessary.

#### O R D E R

J. W. ELY, as administrator of the estate of J. H. Ely, deceased, having applied to the Railroad Commission for authority to increase the annual rate for storage upon grain and produce deposited in the Ely Warehouse at Norton Station, Yolo County, and a public hearing having been held thereon and said application having been submitted and being now ready for decision.

IT IS HEREBY FOUND AS A FACT that existing rates are non-compensatory and unreasonable and that the rates herein authorized are just and reasonable.

Basing our conclusions upon the foregoing finding of fact and upon the further findings of fact contained in the opinion which precedes this order.

IT IS HEREBY ORDERED that J. W. Ely, as administrator of the estate of J. H. Ely, deceased, be and he is hereby authorized to establish and file immediately and thereafter collect the following rates for storage of grain and produce in

the Ely Warehouse at Norton Station, Yolo County, viz:

For storage of grain and rice per season from  
June 1st to May 31st, 90¢ per ton.

Resacking to be charged for at actual cost to  
warehouseman of sacks and material used and labor  
furnished.

The authority hereby granted shall extend to the  
successor or successors in office of said Administrator, and to the  
heirs and distributees of said estate.

IT IS HEREBY FURTHER ORDERED that the collection of  
these rates shall be conditioned upon the rendering of first-class  
service in receiving, weighing in, piling, carrying in storage,  
resacking, loading into cars, and such other service as it is  
customary for warehousemen similarly situated to render.

Dated at San Francisco, California, this 31<sup>st</sup>  
day of *July* 1917.

*W. H. Ireland*

*Edwin T. Edgerton*

*Frank R. Devlin*  
Commissioners.