

Decision No.

ORIGINAL

Decision No. 4617

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of H. E. WOOLNER, doing business
under the name and style of Sac-
ramento Valley Warehouse Company,
to increase storage rates at Tarke
Station, Sutter County.

} Application No. 3069.
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}
}

H. E. Woolner for applicant.

BY THE COMMISSION:

O P I N I O N

This is an application
by H. E. Woolner, doing business under the name and style of
Sacramento Valley Warehouse Company, for authority to increase
storage rates at Tarke Station in Sutter County, as herein-
after more fully set forth. A public hearing upon the appli-
cation was held at Colusa on August 3, 1917, by Examiner West-
over, and the matter is now ready for decision.

The warehouse property is located on
the Marysville Branch of the Northern Electric Railway about
twelve miles east of Colusa in territory more or less competi-
tive with both rail and river points. To meet this competi-
tion the Northern Electric Railway Company, owning a one-
eighth interest in Producers Warehouse Company, a co-partner-
ship owning the warehouse property, has from time to time pub-
lished in its tariff a provision under which 25¢ per ton of

the warehouse charges have been absorbed, applicable to grain on which carrier received a line haul to specified points. The testimony shows that this absorption provision will not be extended by the carrier for the present year.

Applicant's storage facilities consist of a galvanized iron structure 50x400 feet, pine frame studding and wood floor, having a capacity of 5000 tons. Doors and platforms are well located and sufficient in number to prevent congestion. Recent overhauling of scale house and equipment will increase adequacy of service.

Applicant has leased the warehouse and equipment for five years, from June 1, 1917, at a rental of \$68.00 per month plus insurance, taxes and repairs. The rental is based upon a valuation of \$10,500 for the property.

Applicant never operated the property prior to June 1, 1917, so he could not furnish exact data bearing upon operating costs; but only general estimates based upon his experience as a warehouseman at points in Southern California. However, annual reports filed with the Commission by applicant's predecessor, A. B. Jackson, former Manager of Producer's Warehouse Company, show the following operating results for the years 1913 to 1916, inclusive, viz:

	Operating Revenue	Operating Expense	Net Operating Revenue
1913	\$ 655.57	\$ 372.56	\$ 283.01
1914	1,832.59	1,167.82	664.77
1915	3,202.56	1,919.65	1,282.91
1916	<u>4,365.64</u>	<u>2,424.93</u>	<u>1,940.71</u>
Totals	\$10,056.36	\$ 5,884.96	\$ 4,171.40
Average	2,514.09	\$ 1,471.24	\$ 1,042.85

Grain, beans and rice are the principal

commodities stored at this warehouse. The rates filed with the Railroad Commission by applicant's predecessor, and now in effect, are as follows:

Storage per season	65¢ per ton
Loading (reserved)	15¢ " "
Weighing out (reserved)	15¢ " "
Passing through warehouse direct from team to car	25¢ " "

Applicant asks that these rates be increased and adjusted to the following:

Storage	1st month	65¢ per ton	
	2nd "	10¢ " "	additional
	3rd "	10¢ " "	"
Maximum for season-		85¢ " "	
June 1 to May 31 following.			
Loading from warehouse onto cars of 25 tons or less capacity		15¢ " "	
Loading onto cars of over 25 tons capacity		25¢ " "	
Weighing or loading onto wagons		15¢ " "	
Weighing over wagon scale and loading into cars		40¢ " "	
Weighing over platform scale and loading into cars		50¢ " "	

Since the filing of application he has requested a rate of 50 cents per ton for weighing over wagon scale and loading into cars, after depositing in warehouse while awaiting cars.

The proposed division of the season rate into three parts is designed by applicant to clear his warehouse of grain within three months as nearly as possible, so as to accommodate the bean crop, which usually begins to arrive in September. The revenue to be expected from bean storage following the storage of grain is problematical, but it will ap-

parently be relatively small. Applicant operated a bean cleaner in this warehouse last season. About 60,000 bags were loaded, about a third of which were cleaned and a small part stored.

As will be seen, this application contemplates a maximum increase of 20¢ per ton per annum for storage, and an increase of 10¢ per ton for the service of loading into cars when the weight loaded is in excess of 25 tons per car.

Applicant's request for authority to increase rates is based largely upon the contention that the cost of labor has advanced from 20% to 33-1/3%, and even higher in some cases within the last twelve months, also that all materials and supplies necessary in the operation of a warehouse have likewise increased 10% or 15%. Truckers and handlers paid \$2.50 per day during previous seasons now receive \$3.00 per day plus board and lodging; pilers formerly paid \$3.00 or \$3.50 per day now demand \$4.00 per day with board and lodging.

To insure sufficient labor to give first class service, applicant has found it necessary to install a boarding camp and cook, an additional item of expense, on which he could not furnish definite figures. Increased cost of labor estimated at 25% on average of \$1106.00 per year for the last four years, as shown by the annual reports, would increase operating expenses \$276.50. Applied to \$1651.53, labor cost for 1916, it would increase operating expenses \$412.90. The report for 1916 shows that taxes, insurance and repairs are included in operating expenses, with \$1651.53 for labor and \$300.00 for management. Therefore,

the evidently not unreasonable rental now paid, in lieu of manager's salary paid by the owners when they operated the business, would increase operating expenses an additional \$516.00 over those reported for 1916. The increases in the schedule of rates authorized by the order, which rates vary somewhat from the schedule proposed by applicant, are justified by these additional expenses and are designed to meet them.

No one appeared at the hearing to protest, although personal notice was mailed to each of applicant's patrons calling attention to the proposed increases.

O R D E R

H. E. WOOLMER, doing business under the name and style of Sacramento Valley Warehouse Company, having applied to this Commission for authority to increase and adjust warehouse rates in force at Tarke Station, and a public hearing having been held thereon, and the matter being now ready for decision,

IT IS HEREBY FOUND that rates at present charged by applicant are non-compensatory and unreasonable in so far as they differ from the rates set forth in the order, and the rates set forth in the order are hereby found to be just and reasonable rates. Basing its conclusions upon said findings, and upon the findings contained in the opinion preceding this order,

IT IS HEREBY ORDERED that applicant herein be and he is hereby authorized to publish and file with the Railroad Commission, and immediately thereafter to collect, the

following schedule of rates at the warehouse located at
 Tarke Station, Sutter County, California, for receiving,
 weighing, storing and loading grain, rice and beans, viz:

STORAGE

Storage - One month	50¢ per ton		
Storage - Two months	70¢	"	"
Storage - Three months, or bal- ance of season, June 1 to May 31 following	80¢	"	"
Loading onto cars, capacity 25 tons or less	15¢	"	"
Loading onto cars, over 25 tons capacity -			
First 25 tons	15¢	"	"
Balance of car	25¢	"	"

WEIGHING AND LOADING.

Weighing and loading onto wagons	15¢	"	"
Weighing over wagon scale and loading onto cars	40¢	"	"
Weighing over wagon scale and loading onto cars following temporary deposit in ware- house not exceeding 10 days	50¢	"	"
Weighing over platform scale and loading onto cars	50¢	"	"

Necessary resacking charged to
 owner at cost of labor and materials.

The collection of above rates is conditioned
 upon the rendering of first class service in receiving,

weighing, 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
5th day of September, 1917.

Max Thelen
Adrian J. Leland
Oliver Gordon
Edwin C. Edgerton
Frank R. Berlin

Commissioners.