

ORIGINAL

Decision No. 4750

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of the Hunt-Hatch Transportation Company for permission to increase freight rates. } Application No. 2955.

Sanborn & Roehl, for applicant.
Seth Mann for San Francisco Chamber of Commerce.
G. J. Bradley for Merchants & Manufacturers' Association of Sacramento.
H. M. Wade for Oakland Chamber of Commerce and certain San Francisco shippers.
E. W. Adams for California Fruit Distributers of Sacramento.

BY THE COMMISSION:

O P I N I O N

This proceeding is an application by the Hunt-Hatch Transportation Company for authority to make a uniform increase of 15 per cent in all its freight rates as published and filed with this Commission in applicant's Local Freight Tariff No. 2, C.R.C. No. 1 and Supplements thereto, applying between Oakland and landings on Sacramento River, San Joaquin River, Mokelumne River, Old River, Middle River and intermediate points.

In justification of the proposed increases applicant avers that greatly increased cost of operation renders existing rates unremunerative and wholly inadequate for the service performed. In support of this statement applicant

submitted at the hearing the following actual figures covering period of one year, ending December 31, 1916, with an estimate for 1917. The estimated figures for 1917 are based on a 15 per cent increase in freight revenue and the increased cost of operation occasioned by increase in cost of fuel, labor and materials.

	Actual	Estimated
Operating Revenue	<u>1916</u>	<u>1917</u>
Freight	\$42,936.97	\$48,756.51
Net revenue from chartered vessels	4,458.92	-
Total	<u>\$47,395.89</u>	<u>\$48,756.51</u>
Operating Expenses:	\$39,472.56	\$45,623.14
Net operating revenue	7,923.33	3,133.37
Other Charges:		
Proportion of Dock Rent	\$ 3,300.00	\$ 3,300.00
Interest on Investment	3,042.80	3,042.80
Marine Insurance	1,938.13	1,938.13
Total	<u>\$ 8,280.93</u>	<u>\$ 8,280.93</u>
Deficit	\$ 357.60	\$ 5,147.56

In explanation of the increased cost of operation, the following comparison was submitted by applicant:

Comparison of Actual Expenses for Five Months January to May, inclusive, 1916-1917.

	1916	1917	Increase
Pay Roll	\$ 4,471.90	\$ 4,591.45	\$ 119.55
Provisions	113.43	97.65	*15.78
Coal	957.56	1,108.01	150.45
Fuel & Oil	1,515.58	2,004.63	489.05
Repairs	1,289.02	2,536.70	1,247.68
Insurance	471.07	476.11	5.04
General Expenses	697.28	734.37	37.09
Rent Dock & Wharf	500.00	1,400.00	900.00
General Office Clerks	1,750.00	1,400.00	*350.00
Total	<u>\$ 11,765.84</u>	<u>\$ 14,548.92</u>	<u>\$ 2,583.08</u>

*Decrease.

No one appeared in opposition to the granting of the petition herein. Petitioner's petition for relief is due to the increased cost of labor and material, without a

corresponding increase in its gross revenues. The petition should be granted.

O R D E R

The Hunt-Hatch Transportation Company having applied, under Section 63 of the Public Utilities Act for authority to increase certain freight rates, as set forth in the opinion which precedes this order, a public hearing having been held and the Railroad Commission being fully apprised in the premises,

The Railroad Commission hereby finds as a fact that the existing freight rates of Petitioner are unremunerative and that the rates herein established are just and reasonable rates.

Basing its order on the foregoing finding of fact and on the other findings which are contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that the Hunt-Hatch Transportation Company be and the same is hereby authorized, within 20 days from the date of this order to file with the Railroad Commission and thereafter charge freight rates which are uniformly 15 per cent higher than those now on file with this Commission.

Dated at San Francisco this 16th day of October,

1917.

H. H. Kevland
W. G. Gordon
Edwin C. Edgerton

Commissioners.