

Decision No. _____

ORIGINAL

Decision No. 5359

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of CALIFORNIA WHARF AND WAREHOUSE
COMPANY for authority to increase
warehouse rates at Stockton and
Brentwood.

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)
) Application No. 3464.
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)

Sanborn & Roehl, by H.E. Sanborn, for
applicant.

BY THE COMMISSION:

O P I N I O N

Public hearings on this application were held before Examiner Westover at Brentwood and Stockton, respectively. At each of these hearings it was shown by applicant's witnesses that notices thereof in the form furnished by the Commission had been duly forwarded to the individual patrons of applicant's warehouses, but no one appeared at the hearings to protest the granting of the increases sought.

Applicant's present and proposed rates covering the storage and handling of grain at Brentwood, as set forth in the original application, are as follows:

1.

STORING

	<u>Present Rates</u>	<u>Proposed rates</u>
For one month	50¢ per ton	50¢ per ton
" two months	50¢ "	75¢ "
" three months	75¢ "	1.00 "
" Season, ending May 31.	1.00 "	1.00 "
<u>Receiving, weighing and</u>		
<u>loading into cars.</u>	25¢ "	35¢ "
<u>Reweighing</u>	10¢ "	10¢ "

At Stockton the present and proposed rates covering grain, beans, onions and potatoes, - the principal commodities stored by applicant, are as follows:

GRAIN

<u>*Storing</u>	<u>Present rates</u>	<u>Proposed rates</u>
For one month,	50¢ per ton	50¢ per ton
" two months,	50¢ "	75¢ "
" three months,	75¢ "	1.00 "
" season ending May 31.	1.00 "	1.00 "

Transferring

Ex car or vessel	15¢ "	} 35¢ "
Ex team	25¢ "	

Reweighing

Loading Box Cars

In addition to regular storage charge,- (When piled in vertical tiers to a height of 7 bags or more, - applicable to entire contents of car),-		10¢ "
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Loading or unloading gondolas,-

In addition to regular storage charge -		15¢ "
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Stenciling bags,-

3¢ "

Delivering, lots less than 2 tons

25¢ each del'y.

*When piled in vertical tiers not exceeding seven sacks.

BEANS

STORING

	<u>Present rates</u>	<u>Proposed rates</u>
For one month	50¢ per ton	50¢ per ton
" two months	75¢ "	75¢ "
" season ending Aug. 31.	1.00 "	1.00 "
<u>Transferring, through warehouse,-</u>		25¢ "
<u>Delivering, less than one ton.</u>		25¢ each delivery

ONIONS AND POTATOES

<u>STORING</u>	<u>Present rates</u>	<u>Proposed rates</u>
For one month	3¢ per sack	3¢ per sack
" each month thereafter	1¢ " "	1¢ "
<u>Transferring</u> (including 10 days storage)	1½¢ " "	Cancel
<u>Delivering</u> , -		
In lots L.C.L.-270 sacks - 25 each daily		Cancel
" " less than 1 ton		25 each del'y.
<u>Loading</u> , - "decked" cars		60¢ per car.

In addition to the commodities named above, applicant also stores at Stockton limited quantities of bags, farm and garden seeds, and wool. On bags and wool an increase of 5¢ per bale applicable to the first month only, is requested, as well as authority to establish loading and minimum delivery charges on said commodities and also on farm and garden seeds.

At the Brentwood hearing, applicant's attorney requested permission to amend the application so as to include under the proposed rates at Brentwood the storage of beans and other farm products, and also to establish a capacity loading charge for box cars as well as a loading and unloading charge for gondola cars, the same to be identical with charges proposed for similar service at Stockton. There was no objection, and the applicant was granted authority to make the amendment.

This application is based upon the undisputed contention that the cost of labor and supplies necessary in the operation of its warehouses at Stockton and Brentwood has greatly increased since applicant filed its present rate schedules with the Railroad Commission in 1912-14. According to the evidence, applicant now pays at Brentwood \$3.50 per day of nine hours for labor which previously cost but \$2.50, or less, per day of ten hours.

At Stockton labor now costing 40 cents per hour could be employed in 1912-14 for 30 cents per hour. In many instances, however, the quality of the labor is materially inferior to that formerly procured at the lower rates, so that as a consequence it is necessary to pay for more overtime, the rate for which has advanced to 50 cents per hour per man. It was likewise in evidence that material and supplies, such as lumber, iron, trucks, twine and bags have increased in cost from 75% to 300%.

Applicant's warehouse at Brentwood is a wood structure 316x40 feet with 14 ft. walls, and has an estimated storage capacity of 2000 tons of barley. A small outside office building with 10 ton scale adjoining, and platform 50x50 ft. together with the usual complement of trucks and handling equipment constitute the warehouse facilities. There was no record of the original cost of the warehouse, as constructed some 30 years ago, but applicant estimates its present value at \$6000. Two warehouses are operated by applicant at Stockton, - #1 measuring 200x150 ft., being a brick structure having walls 13 inches thick, concrete floor and sheet iron roof; while #2 is constructed of corrugated galvanized iron, and has a double floor of 2 inch pine. These warehouses are located on West Weber Avenue adjacent to Stockton Channel and have access to both rail and water transportation.

Statements filed by applicant covering the operation of these properties for the years 1913 to 1917 inclusive, show the following results:

AT BRENTWOOD

	<u>1913</u>	<u>1914</u>	<u>1915</u>	<u>1916</u>	<u>1917</u>	<u>Total</u>
Receipts,	\$1928.66	\$ 72.55	\$3815.54	\$2322.10	\$2492.29	\$10651.14
Expenses	<u>2053.63</u>	<u>640.31</u>	<u>3099.62</u>	<u>2553.65</u>	<u>2629.75</u>	<u>10976.96</u>
Loss	124.97	567.76		231.55	137.55	1061.74
Gain			715.92			715.92
Average net loss for 5 years						69.16

" tonnage handled for 5 years - 4605 tons.

AT STOCKTON

Receipts	\$4955.81	\$4868.81	\$9379.13	\$5332.27	\$6942.62	\$31,478.64
Expenses	<u>6888.96</u>	<u>6815.27</u>	<u>9488.63</u>	<u>6647.79</u>	<u>7085.98</u>	<u>36,926.63</u>
Loss	1933.15	1946.46	109.50	1315.52	143.36	5,447.99
Average net loss for 5 years						1,089.60

" tonnage handled for 5 years - 5526 tons

The above figures do not include interest on investment nor depreciation of buildings and equipment.

In addition to the properties here under consideration, applicant operates a chain of warehouses along the line of Santa Fe Railway, in Merced County, and also a tide water warehouse at Port Costa. At each of these places applicant has previously been authorized by the Commission to establish for similar service rates identical with those now sought for Brentwood and Stockton. (See Vol. 9 - Opinions and Orders of the Railroad Commission of California p. 848; also Decision No. 4901 of November 27, 1917, unbound). The Commission has also from time to time authorized increases and adjustments in the rates charged at various

competitive warehouses located in Stockton, so that their effective schedules are now on practically the same basis as that which applicant seeks to establish.

In view of its operating results, as already shown, there appears to be no sufficient reason why applicant's Stockton rates should be on a lower basis than the rates of its competitors. In the main, the same conditions prevail at Brentwood, as are found at Stockton, and it is believed that the rates proposed by applicant for its warehouse service at that point will place no unjust burdens on the patrons of that warehouse.

Under the conditions surrounding the warehouse service at Brentwood and Stockton, as disclosed at the hearings in this application, involving as they do, extraordinary expenses for labor and material, without corresponding returns in revenue, the rates, rules and regulations proposed in the application as per schedules marked "A" and "B" respectively as amended, are hereby found to be just and reasonable for the service.

O R D E R

CALIFORNIA WHARF AND WAREHOUSE COMPANY
having applied to the Railroad Commission for authority to increase and adjust warehouse rates at its warehouses located at Brentwood and Stockton, public hearings having been held thereon, the matter having been submitted and being now ready for decision,

THE RAILROAD COMMISSION HEREBY FINDS AS A FACT that the rates, rules and regulations now in effect by applicant at the points named are unjust and unreasonable in so far as they differ from the rates, rules and regulations proposed by applicant as set forth in schedules marked "A" and "B" respectively, as amended, and made a part of the application.

Basing its order upon the foregoing finding of fact, and upon the other findings in the opinion preceding this order,

IT IS HEREBY ORDERED that California Wharf and Warehouse Company be and it is hereby authorized to publish and file with this Commission, as required by law, a schedule of rates not in excess of the proposed rates shown in the application and specifically set forth in the preceding opinion.

Dated at San Francisco, California, this 30th
April, 1918.

Max Theiler
H. S. Howard
W. Gordon

Commissioners.