

DECISION NO. 6999

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application
of
Merchants Ice and Cold Storage Company,
National Ice & Cold Storage Company,
California Ice Company,
Oakland Ice & Cold Storage Company,
Watsonville Ice & Cold Storage Company,
Consumers Ice & Cold Storage Company,
Lodi Ice & Cold Storage Company,
Chico Ice & Cold Storage Company,
Union Ice & Cold Storage Company,
The Union Ice Company of Bakersfield, and
The Union Ice Company of Stockton, to
increase rates for the storage of potatoes.

APPLICATION NO. 5157

J. J. Flynn)
Wm. A. Sherman) for applicants.
C. M. Gardner)

MARTIN, Commissioner -

O P I N I O N

Applicants herein request authority to increase their present rates of \$8.00 (applicable at Chico, Lodi, Oakland, San Francisco, Stockton and Watsonville) and \$8.50 (applicable at Bakersfield and Sacramento) per ton per season of approximately 8 months for the cold storage of potatoes to \$10.00 per ton per season, citing in justification of the higher charge recent increases in operating costs with particular reference to labor and fuel oil. Specifically, it is alleged that the cost of labor necessary in the operation of applicants' cold storage plants has advanced since October 1, 1919, from \$4.00 and \$4.50 per day to a minimum of \$5.50 for ordinary labor and in the same proportion with reference to other classes of employees. Attention is also directed by applicants to their present tariff rate of \$10.00 per ton per season of eight months for storing onions, the labor cost of handling being at the present time as

it is stated, substantially the same as that for handling potatoes.

The so-called "Food Warehousemen Act" placing cold storage companies under the jurisdiction of the Railroad Commission became effective July 22, 1919, at which time the existing schedules of said companies were filed showing rates, rules and regulations then in effect. A large number of such utilities including, with one exception, the ten companies represented in this proceeding, in addition to their activities as food warehousemen, also manufacture and sell ice. The percentage of the public utility business was roughly estimated by one of applicants' witnesses at 40%, but there have been as yet no accurate segregations that would enable applicants to show by financial statements either the appraised value of the property devoted to the public use, or the receipts and expenditures involving such use during the five months period of control by this Commission.

A hearing on the applications was held at San Francisco on December 15, 1919, following notice to the public through commercial bodies in each of the communities affected and direct mail to a number of growers, dealers and associations; but no one appeared at the hearing to oppose the increases sought. In fact, the testimony offered by applicants indicated an entire willingness on the part of those storing potatoes by the season to pay the proposed rate of \$10.00 per ton for the service. It was also shown by applicants' witnesses that the present rates of \$8.00 and \$8.50 respectively, per ton per season were established at a time antedating the present high labor cost and when the storage of potatoes under low temperatures was largely experimental, being accepted as a "fill in" at a time when general stocks were running low and without due regard to cost of the service. The manner of handling potatoes placed in cold storage has materially changed within the last few years, patrons now demanding that bags be placed in racks for airing thoroughly

as is customary with regard to onions, in lieu of the decidedly cheaper method of piling in dump as previously practiced. More time and material are thus required and additional space occupied. Potatoes are now offered for storage in commercial quantities; for periods that bring them into competition for space with other commodities; and under the higher operating costs already mentioned. Obviously an adjustment of the present rate is in order.

From all the evidence and conditions existing, I believe that applicants are entitled to the increased rates requested, and recommend the following form of order:

O R D E R

Merchants Ice & Cold Storage Company, National Ice & Cold Storage Company, California Ice Company, Oakland, Ice & Cold Storage Company, Watsonville Ice & Cold Storage Company, Consumers' Ice & Cold Storage Company, Lodi Ice & Cold Storage Company, Chico Ice & Cold Storage Company, Union Ice & Storage Company, The Union Ice Company of Bakersfield, and The Union Ice Company of Stockton, having made application to this Commission for authority to increase their present rates for the cold storage of potatoes, a hearing having been held thereon, the matter having been submitted and being now ready for decision.-

It is hereby found as a fact that the season rates now in effect for carrying potatoes in cold storage at applicants' warehouses are unjust and unreasonable for the service performed.

Basing its order upon the foregoing finding of fact,

IT IS HEREBY ORDERED, by the Railroad Commission of the State of California that the above named food warehousemen be, and they are hereby, authorized to publish and file within twenty (20) days from date hereof a rate of \$10.00 per ton per

season for storing potatoes under standard low temperatures now in vogue for this class of service.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 31st day of December, 1919.

Edwin J. Edgerton
H. D. Loveland
Dwight Weston

COMMISSIONERS.