

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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Stone Canon Coal Company,
Complainant.

vs.

Case No. 360

Southern Pacific Company,
Defendant.

Seth Mann, for complainant
George D. Squires, for defendant.

GORDON, Commissioner.

O P I N I O N

The complainant, a corporation, engaged in mining coal at Stone Canon, Monterey County, in its petition filed March 26th, 1913, attacks as unjust, unreasonable and excessive the rate of \$1.90 per ton on coal, in carloads, from McKay to San Francisco; and also all other rates on coal carried in Southern Pacific Company local freight tariff No. 442, CRC. No. 64; and further alleges that any rate for the transportation of coal from McKay to San Francisco higher than \$1.00 per ton is unjust, unreasonable and excessive.

Complainant is the owner of a coal mine located in Monterey County at Stone Canon, which is about 22 miles from McKay, a station on the line of the Southern Pacific Company 199.6 miles south of San Francisco.

Witness for complainant testified that the mine was first opened for commercial purposes in 1908; was worked for about one year with indifferent success and then sold to the Stone Canon Consolidated Coal Company. The new company did some development work but their operations were not profitable and the property, after passing through a receivership, reverted to the original owner

in 1911. Experts who have examined the property, estimate that the mine contains from fifty to one hundred million tons of coal. Chemical analysis demonstrates that the coal has great heat value. It compares favorably with coals reaching San Francisco by vessel from the north, such as Wellington, and Seattle, and can be used for steam and domestic purposes. The coal is not of good appearance; is somewhat smoky and sooty and therefore does not sell for as high a price as other coals of equal heat units with which it comes into market competition.

Complainant states that during the month of February, 1913, it shipped 1495 tons of coal and made large consignments in March, same averaging 73,335 pounds per car, and that shipments could be increased to 7500 tons per month. It is also pointed out by complainant that the coal is weighed and way-billed at the mine; that there is no agency at the junction point of McKay, and, therefore, the Southern Pacific Company has no initial terminal expense in connection with these shipments.

Defendant testified that the rate from McKay to San Francisco was originally \$2.00 per ton; was reduced to \$1.90, and admitted that a lower rate would be satisfactory if there were a continuous and heavy tonnage.

I have given due consideration to the testimony and the many exhibits submitted in this proceeding. The following comparative table taken from the exhibits and from defendant's tariffs is illustrative of the rates in effect for the transportation of commodities of greater and less value than coal:

PER TON PER MILE AND PER TON PER CAR PER MILE IN CASE

FROM	TO	MILES	COMMODITY	MINIMUM WEIGHT PER LBS.	RATE PER TON	EARNINGS		
						PER CAR	PER TON PER MILE	CENTS PER CAR MILE
Friant	Oakland	213	Boulders, Crushed rock	60,000	\$1.05	\$31.50	.493	14.78
Richmond	Tulare	235	" " "	60,000	1.15	34.50	.489	14.68
Weed	San Francisco	323	Box Refuse, Mill Blocks etc	24,000	2.25	27.00	.696	8.36
Gypsite	Redlands	193	Crude Gypsum and Land Plaster,	50,000	1.50	37.50	.777	19.43
Friant	Oakland	213	Gravel and Sand	60,000	1.05	31.50	.492	14.78
Stockton	Betteravia	310	" " "	60,000	1.55	46.50	.500	15.00
Mystic	San Francisco	225	Ice	30,000	1.75	26.25	.777	11.67
Hilt	Bakersfield	585	Mill Blocks & Refuse	30,000	4.00	60.00	.683	10.26
Coalinga	Los Angeles	298	Oil, crude	---	2.30	---	.771	---
McKittrick	Chico	415	" "	---	3.05	---	.734	---
McKittrick	Pitt	509	" "	---	3.80	---	.745	---
Alta	Redwood	182	Value \$10.00					
			Oro, Quartz Rock	30,000	1.25	18.75	.686	10.30
Weed	San Francisco	323	Sawdust	20,000	2.25	22.50	.696	6.96
Honcut	Alvarado	152	Sugar beets	60,000	1.00	30.00	.658	19.73
San Lucas	Crockett	188	" "	60,000	1.20	36.00	.638	19.14
Tehama	Alvarado	202	" "	60,000	1.20	36.00	.694	17.82
Anaheim	Lano	207	Sugar beet pulp not dried	60,000	1.20	36.00	.679	17.39
Anaheim	Imperial Jct.	214	" " " " "	60,000	1.30	39.00	.603	18.23
Hilt	San Jose	412	Wood Fuel, not Cord	24,000	2.50	30.00	.607	7.28
Hilt	Turlock	398	Wood slab & mill blocks	30,000	2.60	39.00	.664	9.81
Bakersfield	San Francisco	301.5	Oil, crude	---	2.30	---	.763	---
Placerville	San Francisco	148.7	Rock, Quartz, Value \$10.00	30,000	1.00	15.00	.672	10.08
Congress Jt.	Willows	221.5	Boulders, Crushed Rock etc.	60,000	1.00	30.00	.451	13.53
Niles	Alcalde	232.7	" " " "	60,000	1.15	34.50	.494	14.82
Niles	Floriston	240.9	Sand and gravel	60,000	1.20	36.00	.498	14.94

This exhibit, with the facts presented at the hearings, convinces me that the existing rate of \$1.90 per ton on coal from McKay to San Francisco is excessive, for the reason that the coal from Stone Canon mine is low grade; will move in large quantities in cars loaded to their capacity: it cannot be damaged by the elements, and will suffer but little, if any, loss in transit.

I am of the opinion that a rate of \$1.50 per ton with a minimum of 60,000 pounds from McKay to San Francisco is just and reasonable. This rate for the distance of 199.6 miles, will produce 7.5 mills per ton per mile and .225 cents per car mile which is a greater revenue per car mile than is secured for the transportation of any of the commodities given in the exhibit shown above.

The complaint relates also to other destinations as to which I shall enter no order, but shall expect defendant to readjust its rates in conformity with the reductions here required to San Francisco.

I recommend the following order:

ORDER

Complaint having been made that the rate on coal, in carloads, from McKay to San Francisco is unjust, unreasonable and excessive, and a regular hearing having been held and the Commission being fully apprised in the premises and basing its conclusions on findings set out in the opinion and finding as a fact that a rate of \$1.50 per ton is a reasonable rate for the transportation of coal in carloads from McKay to San Francisco, such rate of \$1.50 per ton is hereby established as the lawful rate to be charged by defendant.

IT IS HEREBY ORDERED, That the Southern Pacific Company publish and file with the Commission within twenty (20) days from the date of service upon it of this order, tariff containing rate of \$1.50 per ton for the transportation of coal, carloads, minimum weight 60,000 pounds, from McKay to San Francisco.

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 26th day of June 1913.

John W. Eshleman
H. S. Loveland
Ed. Anderson

Commissioners.