

Decision No. 7884

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SUMMIT LAKE LUMBER COMPANY for)
Authority to Increase rates for)
storing and handling grain and) Application No. 5732
wool at warehouses located in)
Fresno County, California.)

Stanley Pedder, for applicant.

BY THE COMMISSION.

O P I N I O N

Applicant is a corporation engaged primarily in the manufacture and sale of lumber at various points in Fresno County. It also operates public warehouses at Burrel, Helm, Lanare, Riverdale and Tranquility. Rates now in effect for warehouse service, in so far as they are affected by this application, together with rates proposed, are set forth in the following table:

<u>GRAIN:</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Storage</u> , per season, per ton	\$ 1.25	\$ 1.50
Loading, " "	.35	.50
<u>WOOL:</u>		
<u>Storage</u> , first month, per bale	.10	.12½
Each additional month, " "	.05	.07½
Loading " "	.10	.12½

The application is based upon alleged increased operating costs, with particular reference to warehouse labor. Where applicant formerly paid \$2.50 to \$3.00 per day for ordinary warehouse labor it now pays \$4.00 and \$5.00; for special service it is necessary at times to pay as high as \$7.50 per day. For other details as to increased operating costs, reference is made to the record in Application Number 5733 by Chinn Warehouse Company, whose warehouses are in the same general district and under the same management, hearings being held in each case at Hanford on June 29, 1920. The testimony and exhibits show that warehouse labor conditions are practically identical.

The combined capacity of applicant's five warehouses is 6750 tons of grain; the cost to applicant, including the lot on which the warehouse at Riverdale stands, is alleged to have been \$14,500.- with a present estimated value of \$19,000.00. In addition to the usual complement of trucks and scales, applicant has two pilers which cost \$1,500.00, making a total warehouse investment of \$16,000.00.

The following operating statement submitted with the application shows the financial result of conducting applicant's warehouses for the year 1919, figures being carefully confined to warehouse business alone:

Storage Income	\$5,182.98	
Scales "	64.20	
Loading "	<u>763.21</u>	\$ 6,010.39
Wages		<u>5,910.50</u>
Profit		\$ 99.89

No account is taken of taxes, insurance, interest or overhead expense. Applicant's accounts for previous years do not admit of the segregation necessary to show whether this record is exceptional.

Applicant estimates that the additional revenue which would be produced under the rates asked for would not exceed \$1,500.00, practically all of which would be absorbed by the increased wages which must be paid for labor during the current season.

As stated, a hearing on the application was held at Hanford on June 29, 1920, the only testimony offered being that in support of the petition. All patrons were notified by direct mail, in addition to the customary publicity, but there was no protest of any kind. The warehouse service appears to be adequate and satisfactory. The proposed rates are not higher than charges assessed for similar service by other warehousemen in the same locality. We believe the proposed increases have been justified by the showing in this proceeding and should be authorized.

O R D E R

SUMMIT LAKE LUMBER COMPANY having applied to this Commission for authority to increase warehouse rates, a hearing having been held thereon, the matter having been submitted, and the Commission being fully advised as to the merits of the request,-

IT IS HEREBY FOUND AS A FACT that the rates requested by applicant and set forth in Exhibit "E" accompanying the application, are just and reasonable for the service involved; and that the rates now in effect in so far as they conflict with the rates authorized herein are unjust and non-compensatory.

Basing this order upon the above findings of fact, and upon other statements of fact in the opinion preceding this order,-

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that Summit Lake Lumber Company be, and the

same is hereby, authorized to publish, file and place in effect immediately, a schedule of rates for warehouse service conforming to Exhibit "F" attached to and made a part of the application, including the following increased rates:

GRAIN:

<u>Storage</u> , per season, per ton	\$ 1.50
<u>Loading</u> , " "	.50

WOOL:

<u>Storage</u> , First month, per bag	.12-1/2
Each additional month " "	.05
<u>Loading</u> , " "	.12-1/2

Dated at San Francisco, California this 22nd day of July, 1920.

Edwin A. Edgerton
H. S. [unclear]
John P. [unclear]
Irving Martin
Commissioners.