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ORIGINAL

Decision No. 7885

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of	)	
CHINN WAREHOUSE COMPANY for authority :	)	
to increase rates for storing and	)	Application No. 5733.
handling grain and wool at Lemore	)	
and Stratford, California.	)	
	:	
	:	

Stanley Pedder, for applicant.

BY THE COMMISSION:

O P I N I O N

Applicant operates two public warehouses, one at Lemore and one at Stratford, Kings County. The principal commodities stored are grain, seeds, hay and wool. Applicant is also engaged in other lines of business, warehousing being, more or less incidental to its grain merchandising. It is proposed to increase rates for storing and handling grain and wool as indicated in the following table of comparisons, other rates in effect not being involved in this proceeding:

G R A I N

<u>Storage</u> - per season	<u>Present</u>	<u>Proposed</u>
ending May 31, per ton	\$1.25	\$1.50
<u>Loading</u> - per ton	.35	.50

W O O L

<u>Storage</u>	<u>Present</u>	<u>Proposed</u>
1st month, per bag	.10	.12½
Each additional month, per bag	.05	.07½
<u>Loading</u> - per bag	.10	.12½

The application is based upon the alleged high cost of labor necessary to operate applicant's warehouses, wages having increased since existing rates became effective, from \$2.50 and \$3.00 per day to \$4.00 and \$5.00 per day for ordinary warehouse labor. For special service it is necessary at times to pay as high as \$7.50 per day.

The capacity of the warehouse at Lemoore is 2500 tons of grain, and that at Stratford 6000 tons, the cost of both properties to applicant, including the land on which located, being \$18,500.00. Equipment and machinery to the value of \$4,000.00 have been installed since the warehouses were acquired, making a total investment of \$22,500.00.

Applicant's annual reports on file with the Commission do not show separately operating expenses applying to storage alone, but the average/<sup>gross</sup> income from this source for the years 1916 to 1919 inclusive amounts to \$3,255.67. Exhibit "C" filed with

the application shows an income - of \$7,057.94 from storage and loading against a labor expense of \$6,980.94, leaving a profit of \$77.00 for the year 1919. On the basis of this showing, applicant estimates that the proposed increases, if allowed, would produce approximately \$1,600.00 additional revenue, which however would be reduced to a very small margin by increased operating costs.

A hearing on the application was held at Hanford on June 29th, 1920, the only testimony offered being in support of the request.

The evidence showed that the proposed rates, in so far as an expression from patrons had been obtained, would be satisfactory to storers; also that such rates are not in excess of rates generally in effect in the district involved.

It was further shown that the usual publicity was given, patrons being duly notified of the hearing; but no one appeared in protest, or otherwise indicated opposition to the rates proposed.

We are of the opinion that the rates asked for have been justified, and should be granted.

#### O R D E R

CHINN WAREHOUSE COMPANY having applied to the Commission for authority to increase warehouse rates at Lemoore and Stratford, a hearing having been held thereon, the matter having been submitted and the Commission being of the opinion that the request should be granted,

IT IS HEREBY FOUND AS A FACT that the rates proposed by applicant are just and reasonable, and that the rates now in effect, in so far as they conflict with the rates herein authorized are

unjust and non-compensatory.

Basing this order upon the foregoing finding of fact and upon the further finding of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED by the Commission that Chinn Warehouse Company be and the same is hereby authorized to publish, file and place in effect immediately thereafter rates as set forth in Exhibit "A" accompanying the application, such rates, in so far as they are increases, being as follows:

G R A I N

Storage - per season, per ton..... \$1.50  
Loading - per ton..... .50

W O O L

Storage, 1st month per bag..... .12½  
each additional month per bag..... .07½  
Loading - per bag..... .12½

Dated at San Francisco, California this 22<sup>nd</sup> day  
of July, 1920.

Edwin O. Edgerton  
H. L. Loveland  
Grant W. ...  
Irving Nathan

Commissioners.