

Decision No. 7890

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of STANISLAUS COUNTY FARMERS UNION, INC., for Authority to Increase and estab- lish Warehouse rates at Modesto.	}	Application No. 5747
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Albert L. Johnson, for Applicant.

BY THE COMMISSION.

O P I N I O N

Applicant is a corporation engaged in the business of produce dealer and warehouseman operating within the territorial limits of Stanislaus County. The corporation's stockholders consist of growers and producers for whose convenience its facilities were primarily intended. Expediency has necessitated extension of the service to buyers of warehouse receipts from members of the union. The warehouse is now open to the public but outside storage is not solicited.

At Modesto is located the only warehouse unit operated by applicant at the present time, the same being a corrugated iron structure 140 x 150 feet, having a capacity of 4,000 tons of grain. The warehouse has an estimated value of \$10,500.00 and for the land on which it stands a rental of \$133.80 per year is paid. Following is result of applicant's warehouse opera-

tions for the years 1917 and 1918, being the only complete reports available:

	<u>1917</u>	<u>1918</u>
Total Receipts	\$ 1,400	\$ 2,000
Total Expense	<u>1,500</u>	<u>2,200</u>
Net Loss	\$ 100	\$ 200

The application specifically seeks to establish a loading charge of 25 cents per ton to apply on all commodities except hay loaded out from the warehouse, this service having heretofore been included in the storage charges. On hay which is not stored at the present time, and for which applicant has no suitable warehouse, the loading charge proposed is 35 cents per ton. For loading gondola cars the proposed rate would be 10 cents per ton higher than for loading other cars.

The petition also involves the establishment of new rates covering service for which no schedule has been filed.

The application is based upon the representation that warehouse truckers formerly employed for \$2.50 per day now receive \$4.00, and pileers who received \$3.00 per day are now paid \$5.00. Advances in the price of machinery and power are given by applicant as additional reasons underlying its petition.

Applicant estimates that under the proposed increases, together with the new rates to be established, an additional revenue of \$1,000 should be realized annually. It is expected, however, that the entire amount will be absorbed by increased operating expenses. It is applicant's purpose to break even as nearly as possible, there being no intention to accumulate a surplus or distribute profits in the way of dividends.

A hearing was held at Modesto on June 30, 1920, at which it was shown that all members of the union and the principal

patrons of the warehouse had been individually notified of
also
the hearing/~~xx~~ that the usual press notices had been published
at Modesto. No one appeared to oppose the application, all
testimony offered being in support of the petition. The evi-
dence showed that the proposed rates are identical with rates
in effect at other warehouses located in Modesto, with a single
exception which is on a higher basis.

We are of the opinion that the rates proposed have
been justified and should be authorized.

O R D E R

Stanislaus County Farmers Union, Inc., a public
Warehouse utility, having applied to the Railroad Commission for
authority to increase and establish rates for warehouse service
at Modesto, a hearing having been held thereon, the matter
having been submitted, and the Commission being fully advised
as to the merits of the petition.

IT IS HEREBY FOUND AS A FACT, that the rates and
charges proposed by applicant and set forth in Schedule "C"
accompanying the application, are just and reasonable rates
for the services involved, and that rates at present in effect,
in so far as they conflict therewith are unjust and non-compen-
satory.

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

IT IS HEREBY ORDERED by the Railroad Commission of the
State of California that Stanislaus County Farmers Union, Inc.
be, and the same is hereby, authorized to publish, file and place

in effect immediately thereafter, a schedule of warehouse rates conforming to so-called Schedule "C" accompanying and made a part of the application, such schedule in so far as it involves increases being as follows:

LOADING OUT

All Commodities Except Hay:

When loaded into ordinary box cars, \$.25 per ton
When loaded into Gondola cars, .35 " "

Hay:

In 3 ton lots, or over, .35 per ton
In less than 3 ton lots, .50 " "

Dated at San Francisco, California, this 25th day
of July, 1920.

Edwin O. Edgerton
H. D. [unclear]
Frank [unclear]
Irving [unclear]
Commissioners.