

Decision No. 7891

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)
Heiskell & Bullock for authority to)
increase rates for storing and handling) Application No. 5670.
grain and rice at Delano.)

J. D. Heiskell for Applicant.

BY THE COMMISSION.

O P I N I O N

Heiskell and Bullock, a copartnership, operating a public warehouse at Delano request authority to increase rates for storing and handling beans, grain and rice as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
Storage, Per season and Per ton	\$1.00	\$1.25
Unloading, Weighing & Delivering, per ton.	.35	.50

A small amount of wool is also handled through the warehouse, but the proposed changes do not apply to this commodity.

The application is based upon alleged increases in the cost of labor and material necessary in the operation of the warehouse.

Specifically, it is set forth that the warehouse foreman now

receiving \$125.00 per month was paid \$100.00 per month at the time the present rates became effective, and that other warehouse employees who were then paid \$3.00 per day are now receiving \$4.00 and \$5.00 for the same number of hours. During rush periods it is necessary at times to pay as high as \$6.00 per day for competent warehouse labor.

Data submitted with the application shows that the cost of the warehouse structure in 1914, plus improvements made in 1916 and 1918, was \$5928.57, and that the ground upon which the same is located is leased from Southern Pacific Company at an annual rental of \$160.00. The tonnage handled and the resulting net revenue for the last four years are shown in the following table:

	<u>Tonnage Handled</u>	<u>Net Revenue</u>
1916 -	5480 Tons	\$1511.66
1917 -	4953 "	1229.24
1918 -	3828 "	894.73
1919 -	<u>4526 "</u>	<u>86.50</u>

These figures show that with a slightly fluctuating annual tonnage there has been a steady decline in net revenue since 1916.

In the same operating statement from which the above table is condensed, it is further shown that the cost of storing and handling one ton of grain has increased from 38 cents in 1916 to 94.8 cents in

1919. Applicants' warehouse business is conducted in conjunction with their general business of merchandising, and in some instances items of expense involved in the foregoing results are estimates based upon applicants judgment as to exact proportion assignable to warehousing. On the other hand, no account is taken of the warehouse manager's time, a considerable portion of which is devoted to the details of storing and handling grain.

It is estimated by applicants that the proposed increases would, on an average year's tonnage, produce approximately \$850.00 additional revenue, which, however, would be almost wholly absorbed by increased operating expenses.

A hearing on the application was held at Delano on June 29th, 1920. Oral testimony supported the application in detail, and showed further that the proposed increases had been submitted to patrons representing more than 50% of the tonnage stored during the 1919 season, and that such patrons had expressed approval of the higher rates, which they considered fair and reasonable. The usual notices were published and mailed to applicants' patrons, but no one appeared at the hearing to oppose the request.

We believe that the proposed rates have been justified and should be granted.

O R D E R

HEISKELL AND BULLOCK, a warehouse utility, having applied to the Railroad 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 petition.

It is hereby found as a fact, that the rates proposed by applicant as hereinafter set forth, are just and reasonable for the service involved; and that applicants' rates at present in effect insofar as they conflict therewith are unjust and non-compensatory.

Basing this order upon the foregoing finding of fact, and upon other facts stated in the preceding opinion.

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that Heiskell and Bullock be and they are hereby authorized to publish and file immediately and thereafter collect rates for warehouse service at Delano as follows:

Beans-Grain
And Rice.

Wool

Unloading, Weighing, and

Delivering, without storage) -

50¢ per ton

10¢ per bale

Storing, Weighing, and

Delivering, _____

1.25) per ton

) per season

10 (per bale

(per month

Dated at San Francisco, California, this 22nd day of

July, 1920.

Edwin D. Edgerton
W. H. Stanford
Darius Martin

Commissioners.