

ORIGINAL

Decision No. 26447

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of  
SACRAMENTO NORTHERN RAILWAY for  
authority to amend tariff provisions } Application No. 18909.  
relating to absorption of cartage }  
charges on rice and rice products }  
at East Gridley, California. }

L. N. Bradshaw for applicant.  
C. F. Quibble and G. E. Ottney for Ottney  
Warehouse Co., protestant.  
Norton Ware for Sutter-Butte Canal System and  
rice growers under that system, protestants.

BY THE COMMISSION:

O P I N I O N

This is an application filed by the Sacramento Northern Railway for authority under Section 63(a) of the Public Utilities Act to amend Item No. 160-D, fifth revised page 7 of Sacramento Northern Railway's terminal tariff 5-B, C.R.C. No. 24.

A public hearing was held at Marysville October 4, 1933, before Examiner Geary and the proceeding duly submitted.

The item sought to be amended reads as follows:

"The Sacramento Northern Railway will assume not exceeding 75 cents per ton of 2,000 lbs., of the cartage charges at East Gridley, Cal., on rice, rice flour, rice bran and rice middlings, carloads, when it receives a line haul on traffic destined Oakland, Woodland, Sacramento, Cal., via S. N. Ry.; San Francisco, Oakland, Alameda, Cal., via Sacramento Northern Railway, Sacramento, Cal.; thence via Sacramento Navigation Company, California Transportation Company or The Western Pacific Railroad Company, also to points east of Oroville, Cal.; via Sacramento Northern Railway, Oroville, Cal.; and The Western Pacific Railroad Company."

It is proposed to publish a new item reading as follows:

"The Sacramento Northern Railway will assume not exceeding 60 cents per ton of 2,000 lbs., of the cartage charges from mills and warehouses at Gridley, Cal., to East Gridley, Cal., on rice, rice flour, rice bran and rice middlings, carloads, when it receives a line haul on traffic destined Oakland, Woodland, Sacramento, Cal.; via S. N. Ry.; San Francisco, Oakland, Alameda, Cal. via Sacramento Northern Railway, Sacramento, Cal., thence via Sacramento Navigation Company, California Transportation Company or The Western Pacific Railroad Company, also to points east of Oroville, Cal., via Sacramento Northern Railway, Oroville, Cal., and The Western Pacific Railroad Company."

The essential changes reduce the amount of the absorption from 75 cents to 60 cents per ton and clarify the intent of the item by the addition of the words "from mills and warehouses at Gridley to East Gridley."

Original item No. 160 became effective April 10, 1922, in the present tariff C.R.C. No. 24, but had been in other tariffs long before that date.

The intent of the cartage absorption was to permit owners of rice who had their grain stored in the warehouses at Gridley to employ at equal charges either the Southern Pacific Company or the Sacramento Northern Railway in getting the commodity to the consuming markets. The Southern Pacific Company, the pioneer railroad, has all of the important warehouses in the Gridley district on its rails; therefore when the electric railroad was constructed through the Sacramento Valley it was confronted with three alternatives: First, construct a spur track 1 1/8 miles East Gridley to the warehouse at Gridley; second, surrender the tonnage to its established competitor; or third, absorb the cartage charges from the warehouse to the cars on its own rails. It adopted the latter alternative and the cartage charges have been absorbed over a long period of time.

Recently shippers have demanded the cartage absorptions

on movements of rice direct from the fields to the cars of the Sacramento Northern at East Gridley based upon a literal interpretation of the tariff item. This record shows conclusively that the item was intended to apply only when the cartage was performed from warehouses or mills at Gridley to East Gridley and not when from fields to cars.

If shippers' contentions were accepted as controlling, the applicant would be forced to give away 50 per cent of its charges on a haul from East Gridley to Sacramento and approximately 33 1/3 per cent to San Francisco on all of the rice tonnage received by it at East Gridley.

The volume of the absorption is reduced from 75 to 60 cents per ton to more closely approximate actual prevailing charge of the trucking firms.

Protestants presented no controlling testimony why the tariff item should not be corrected.

Upon consideration of all the facts of record, we are of the opinion and find that applicant should be authorized to make the adjustments in item No. 160-D Sacramento Northern Railway terminal tariff 5-B, C.R.C. No. 24 as set forth in the application.

#### O R D E R

This application having been duly heard and submitted, IT IS HEREBY ORDERED that said applicant is hereby authorized to establish within thirty (30) days from the date of this order and upon not less than ten (10) days notice to this Commission and the public, by filing and posting tariffs in the manner prescribed in Section 14 of the Public Utilities Act, the

adjustments in item No. 160-D Sacramento Northern Railway  
terminal tariff 5-B, C.R.C. 24 as set forth in the application.

Dated at San Francisco, California, this 23rd day of  
October, 1933.

C. C. Leary  
Leon Whitney  
W. J. Lee  
W. B. Lewis  
W. H. Mann  
Commissioners.