

Decision No. 52890**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 N. F. DAVIS DRIER AND ELEVATOR, a)
 California corporation, for an)
 increase in warehouse rates.)

Application No. 37280

OPINION AND ORDER

N. F. Davis Drier and Elevator, a corporation, conducts public utility warehouse operations at Firebaugh (Fresno County). Its operations are devoted to the handling of agricultural products and supplies, including accessorial and special services. By this application, as amended, authority is sought to increase, on less than statutory notice, rates and charges for the storing and handling of grain and rice. The present and proposed rates are as follows:

	<u>Per Ton</u>	
	<u>Present</u>	<u>Proposed</u>
Storage (per season or portion thereof):		
Grain, whole - including corn - in bags	\$2.00	\$2.50
Grain, whole - in bulk	2.50	3.13
Rice, viz.: Paddy - in bags	2.25	2.81
Rice, viz.: Paddy - in bulk	2.75	3.44
Sacking bulk grain or paddy rice	1.00	1.25

Applicant's present rates have been in effect since November 15, 1947, and when established, were the same as those in effect at certain San Joaquin Valley warehouses operating in San Joaquin, Stanislaus and Merced Counties. These latter warehouses increased their rates to the level now sought by applicant in this application on July 23, 1951, pursuant to Decision No. 45922 in Application No. 32384. Applicant's plant, although located in Fresno County, is in effect serving some of the area served by the aforementioned warehouses in Merced County. In addition, a comparison of

applicant's proposed rates with those of a competitive warehouse located in Firebaugh is as follows:

	<u>(1) Applicant's Proposed Rates</u>	<u>(1) Competitor's Rates</u>
Grain, whole - in bulk	3.13	3.50
Rice, viz.: Paddy - in bulk	3.44	3.50

(1) Per season or any portion thereof.

According to the application, the revenues derived from the present rates are inadequate and insufficient to conduct operations at a profit. In an exhibit attached to the application, a profit and loss statement for the fiscal year ending April 30, 1955, shows a deficit of \$21,051.38 in the public utility warehouse operation. Under the proposed rates, applicant estimates that there would still be a deficit of \$12,737.31. It is further alleged, that the 1955 rice crop acreage has been reduced because of government acreage quotas and that public utility revenue is not expected to increase in any great amount during the coming years.

Applicant has notified each storer of grain of the filing of the application. No objection has been received.

In addition to applicant's request that it be authorized to establish the sought rates on less than statutory notice, it requests that the decision be made effective within five days since the rice storage season commences October 1.

Upon careful consideration of all of the facts and circumstances the Commission is of the opinion and finds that the rates proposed to be established in this proceeding are just and reasonable. The application, as amended, will be granted. As the storage season has commenced the order will be made effective immediately. A public hearing is not necessary.

Therefore, good cause appearing,

IT IS HEREBY ORDERED:

(1) That applicant be and it is hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the increased rates and charges as proposed in the above-entitled application, as amended.

(2) That the authority herein granted shall expire unless exercised within sixty days after the effective date hereof.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 18th day of October, 1955:

John E. Mitchell
President
Justus S. Casner
Raula Lauterbach
William J. Hale
By (Handwritten Signature)
Commissioners