

Decision No. 54783**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 J. C. LOOMIS COMPANY, a corporation,)
 to increase the rates for certain) Application No. 38542
 public utility warehouses, and to)
 limit liability.)

OPINION AND ORDER

J. C. Loomis Company, a California corporation, is engaged in public utility warehousing operations for the storage of seed at Hemet, Lancaster, Tehachapi and Arvin. By this application it seeks authority to effect increases in its storage rates and to revise its liability as a warehouseman. The increases in rates are sought in connection with an insurance program which applicant proposes to inaugurate in connection with the goods in storage.

At the present time storers utilizing applicant's facilities have no recourse for loss on their seed in storage unless they themselves have arranged for insurance protection or unless the loss stems from causes for which applicant is responsible.¹ Applicant states that it receives requests for insurance protection from its patrons. It states, moreover, that its own liability is disproportionate to the storage and handling rates which now apply. As a consequence of such considerations it has concluded that it should arrange for insurance on all goods stored. Under its proposals

¹ Applicant's tariff contains provisions to the effect that applicant's responsibility as a warehouseman is limited to ordinary care and diligence as required by law. The tariff provisions specifically disclaim responsibility for loss or damage caused by fires, frost, change of weather, riots, strikes, insurrections, floods, the acts of God, inherent or perishable qualities of the merchandise, or other causes beyond the warehouseman's control.

herein, it would expand its responsibility as a warehouseman to embrace loss and damage from fire, theft, pilferage, leakage, breakage, malicious mischief and losses from surface waters not caused by flood and it would obtain insurance to cover the liability so assumed.² The limits of the coverage that would apply would be \$20 per 100 pounds unless greater coverage is specifically requested by storers. Assertedly such coverage is sufficient for the most probable losses on the bulk of the seeds stored.

For this insurance applicant proposes to increase its storage rates by 2 cents per 100 pounds per month. In instances where additional coverage is provided in response to storers' requests, an additional charge of 2 cents per 100 pounds per month, or fraction thereof for each \$20 per 100 pounds, or fraction thereof would apply for the excess value declared. These charges are represented as the requirement of the insurance, plus a small allowance for the cost of administering the program.

Applicant's present rates (on a 100 pound basis) and the rates that it seeks to establish under the proposed program are as follow:

Present and Proposed Storage Rates per Season Ending May 31
(Rates in cents per 100 pounds)

<u>Month*</u>	<u>Present</u> ^(a)	<u>Proposed</u> ^(b)
1	12½	14½
2	15	19
3	17½	23½
4	20	28
5	20	30
6	20	32
7	20	34
8	20	36
9	20	38
10	20	40
11	20	42
12	20	44

* The term "month" means 30 days or any portion of such period.

(a) Includes receiving and delivering.

(b) Includes receiving, delivering and insurance.

² A copy of the insurance agreement was submitted by applicant to show the terms that would apply. Said agreement is hereby incorporated in the record in this matter as Exhibit No. 1.

With establishment of the proposed insurance program present tariff provisions stating that the storage rates do not include insurance would be canceled.

Notices of applicant's proposals were served upon its patrons, upon the California Seed Association, and upon the California Farm Bureau. Interested parties were requested to inform the Commission of any representations that they might wish to make concerning the matters involved. No such representations have been received.

Upon consideration of the showing in this matter, it is concluded and found that the increases in rates and revisions of liability which applicant seeks to establish have been shown to be justified. The application will be granted. In order that all of applicant's patrons be fully apprised of the action taken herein, applicant will be expected (a) to set forth fully and clearly in its tariff the insurance and liability provisions hereinafter authorized, (b) to show such information (or references to such information) on all warehouse receipts or other memoranda issued to acknowledge the receipt of goods in storage and (c) to inform all present patrons of applicant's warehousing services of the establishment of said insurance and liability provisions. The exercise and the authority herein granted will be conditioned accordingly.

Public hearing on this matter does not appear necessary.

Good cause appearing,

IT IS HEREBY ORDERED that:

(1) J. C. Loomis Company be, and it is hereby, authorized to amend its warehouse Tariff No. 1, Cal. P.U.C. No. 1,

(a) To establish in lieu of the storage rates and rules in Item No. 1 of said tariff the storage rates and rules which are set forth in Appendix A attached hereto, which appendix is made a part hereof by this reference.

- (b) To cancel paragraph (a) of Rule No. 6, INSURANCE.
- (c) To revise its Rule No. 7 - Warehouseman's Responsibility and Liability - to amend paragraphs (a) and (b) thereof, and to add paragraph (e) thereto, as follows:
 - (a) The responsibility of warehouseman includes responsibility for fire, theft, pilferage, leakage, breakage, malicious mischief and losses from surface waters not caused by flood. The warehouseman represents that the aforesaid items are covered by the terms of the insurance policy attached to this tariff to the extent hereinafter set forth in Item No. 1 - Storage Rates. Said items of coverage herein represented by the warehouseman shall in any event be covered to the extent of the liability as hereinafter expressed in said Item No. 1. Whether insurance covers losses from causes other than those enumerated above shall be determined by the terms of the insurance policy attached to this tariff and by this reference made a part hereof. Said policy shall be determinative of the rights and obligations of the parties with respect to such other losses. In all other respects the responsibility of warehouseman for storage and handling is limited to the ordinary care and diligence required by law.
 - (b) The warehouseman is not responsible for loss or damage caused by frost, or change of weather, riots, strikes, insurrections, floods, the acts of God, or for inherent or perishable qualities of the merchandise, or other causes beyond its control, nor does the insurance to which reference is made in paragraph (a) above insure against loss or damage from said causes enumerated herein.
 - (e) The warehouseman's liability is limited to and in no event shall exceed (a) the declared or presumed value of the goods received for storage upon which value the storage rate is fixed and payable or (b) the actual value of said goods, whichever is the lower. Such presumed or declared value as an agreed limit, and likewise such limitation of liability, applies separately and proportionately on a weight basis to each part of the stored merchandise, and liability, if any, for any partial loss of or injury to any part thereof shall not exceed that portion of such limited liability with respect to such part, proportionate to the actual loss of or damage thereto.

(2) The exercise of the authority herein granted be, and it is hereby made subject to the conditions that with the establishment of

APPENDIX A to Decision No. 54783
 Authorized Storage Rates and Regulations

Item No. 1 - STORAGE RATES

(a) Storage rates (in cents per 100 pounds) per season ending May 31:

Month*

1	14½
2	19
3	23½
4	28
5	30
6	32
7	34
8	36
9	38
10	40
11	42
12	44

* The term "month" means 30 consecutive days or any portion of such period.

"Storage" includes services of receiving goods for storage and delivering goods from storage.

(b) For the purpose of fixing storage rates, insurance, and the maximum limit of the warehouseman's liability, the value of all lots of seed received for storage shall be conclusively deemed not to exceed \$20 per 100 pounds, unless when the seed is offered for storage, the storer declares a greater value and such greater value is noted by the warehouseman on the warehouse receipt or other memoranda issued to acknowledge receipt of the seed for storage, in which case the value shall be conclusively presumed not to exceed that so declared.

The storage rates set forth in paragraph (a) above apply where no value is so declared and noted, or where, if declared, it does not exceed the otherwise presumed limit. Where such declared value exceeds such otherwise presumed limit of \$20 per 100 pounds, an additional charge of 2 cents per month, or part thereof, will apply for each additional \$20 of declared value, or part thereof, above the presumed limit.

(End of Appendix A)

the rates herein authorized, J. C. Loomis Company shall show on all warehouse receipts or other memoranda issued to acknowledge the receipt of goods in storage full information concerning its liability as a warehouseman, the application of the storage rates with respect to released valuations, the extent (or references to the extent) of the insurance coverage included in the storage rates, and the availability of additional insurance coverage. A copy of the insurance agreement, hereinbefore identified as Exhibit No. 1 in this matter shall be attached to and made a part of the aforesaid tariff of J. C. Loomis Company.

(3) The authority herein granted, to the extent that it is exercised, shall be exercised in full and not in part.

(4) The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 2nd day of April, 1957.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners