

ORIGINAL

Decision No. 78694

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 ADAMS, SCHWAB & ADAMS WAREHOUSE CO.  
 (DAVID S. ADAMS, D. Q. ADAMS, W. W.  
 ADAMS, ELIZABETH ADAMS McCLURE,  
 MARGARET ADAMS DALLAM, NANCY ADAMS  
 BLOOM, WILLIAM O. ADAMS, ELIZABETH  
 ADAMS PEABODY and LORALEE S. ADAMS,  
 dba), ADAMS WAREHOUSE COMPANY  
 (DAVID S. ADAMS, NANCY LUISE BLOOM,  
 WILLIAM OSBORN ADAMS and ELIZABETH  
 ANNE PEABODY, copartners dba), BEN  
 AKER WAREHOUSE (LEROY AKER and  
 CLARA A. L. AKER, dba), ARTOIS-  
 CORNING WAREHOUSES, INC., BAKER  
 BROTHERS RICE DRIER & STORAGE  
 COMPANY, BAYLES RICE DRIER CO.  
 (DANIEL BAYLES, JR., and WORTH  
 BAYLES, dba), HOWARD BEEMAN  
 WAREHOUSE & DRIER (HOWARD BEEMAN,  
 dba), BRONNER & SONS, INC.,  
 BULTEMA BROTHERS (CARROLL, JAMES  
 and DONALD BULTEMA, dba), BUTTE  
 CITY WAREHOUSE COMPANY (JAY S.  
 CLARE, dba), CALIFORNIA DEHYDRATING  
 CO., CALIFORNIA MILLING CORPORATION,  
 CARGILL OF CALIFORNIA, INC., C.B.C.  
 WAREHOUSE COMPANY (PHILIP R. COLLINS,  
 KENNETH E. BROWN and ALLEN D.  
 COLLINS, dba), CHICO BEAN GROWERS,  
 CITRONA WAREHOUSE (AUDREY TADLOCK,  
 dba), COAST COUNTIES WAREHOUSES,  
 COLLINS & STORY (PHILIP R. COLLINS  
 and GEORGE T. STORY, dba), COLUSA-  
 GLENN STORAGE COMPANY, COUNTY LINE  
 WAREHOUSE (CARL B. YOUNGMARK and  
 ROBERT YOUNGMARK, dba), N. F. DAVIS  
 DRIER & ELEVATOR, DE FUE WAREHOUSE  
 COMPANY, DOMPE WAREHOUSE CO., DOTY  
 BRICK WAREHOUSE (dba DOTY BRICK  
 WAREHOUSE AND RICETON WAREHOUSE)  
 (CHARLOTTE M. BRINK, H. S. BRINK,  
 JR., HELEN H. PERSONS and MELBA E.  
 PERSONS, dba), ECKHART SEED COMPANY,  
 EIBE & HUFFMAN WAREHOUSE CO., INC.,  
 ERDMAN WAREHOUSE (FERDINAND ERDMAN,  
 dba), FARMERS ALLIANCE BUSINESS  
 ASSOCIATION, FARMERS GRAIN ELEVATOR  
 (THOMAS MEZGER, dba), FARMERS' RICE  
 DRIER & STORAGE CO. (DIVISION OF

Application No. 52547

(Filed April 12, 1971)

FARMERS' RICE COOPERATIVE), FARMERS  
WAREHOUSE (THOMAS MEZGER, dba),  
FIREBAUGH ELEVATOR & STORAGE COMPANY,  
INC., GLENN GROWERS, GRAINO ELEVATOR  
COMPANY (JAMES BALSDON, FRANCES  
WILMARTH, CAROLYN HILLER and H. H.  
BALSDON, dba), GRIDLEY WAREHOUSE,  
GRISEZ WAREHOUSE CO., INC., GUADALUPE  
WAREHOUSE, INC., HASLETT COMPANY,  
HAYRICO, INC., L. A. HEARNE WAREHOUSE  
COMPANY, HELM BEAN & SEED WAREHOUSE,  
INC., HI & DRY WAREHOUSE, INC., VICTOR  
HOAG WAREHOUSE (VICTOR HOAG, dba),  
J. C. HORNALL, WALTER JANSEN & SON  
(WALTER K. JANSEN, ANN C. JANSEN,  
JEROL H. JANSEN and WALTER K. JANSEN,  
JR., dba), JOSEPHINE WAREHOUSE  
(THOMAS A. LA MAIDA, dba), LIBERTY  
WAREHOUSE, LOMPOC WAREHOUSE CORPORA-  
TION, ED. J. LYNG COMPANY, INC.,  
MADERA BEAN CO., INC., MAFFEI WARE-  
HOUSE & STORAGE, INC., MAST IRON  
WAREHOUSE (LOWELL E. MAST, MARY  
GRACE MAST EICHEY, JACK D. MAST and  
CALVIN COWLES MAST, dba), MITCHELL  
SILLIMAN COMPANY, JIM B. NIELSEN,  
NORTHERN CALIFORNIA COMPANY, NORTHERN  
STAR MILLS (R. A. HARELSON, dba),  
OAKLAND BEAN CLEANING AND STORAGE  
COMPANY, INC., E. M. OLSON WAREHOUSE  
(E. M. OLSON, dba), PACIFIC INTER-  
NATIONAL RICE MILLS, INC., PATTERSON  
WAREHOUSE CO., PRINCETON RICE DRYER,  
INC., RHODES WAREHOUSE & SUPPLY CO.  
(DOUGLAS V. HENSLEY and J. B. MINATTA,  
dba), RIZ WAREHOUSE COMPANY, INC.,  
SACRAMENTO RIVER WAREHOUSE COMPANY,  
SACRAMENTO VALLEY MILLING COMPANY,  
S. AND S. WAREHOUSE COMPANY, INC.,  
SAN MIGUEL FLOURING MILL COMPANY,  
SANTA MARIA VALLEY WAREHOUSE COMPANY,  
SOLEDAD WAREHOUSE CO., STRAIN RANCHES,  
INC., SUTTER BASIN GROWERS COOPERATIVE,  
TARKE WAREHOUSE, INC., TERHEL FARMS  
DRIER & STORAGE CO., TRES PINOS GRAIN  
AND SUPPLY (GEORGE B. SHORE, dba),  
TUDOR WAREHOUSE (J. C. & V. M.  
CARPENTER, dba), TURLOCK DEHYDRATING  
AND PACKING CO., TYNDALL WAREHOUSE  
COMPANY, INC., VALLEY BEAN WAREHOUSE,  
INC., WESTAN WAREHOUSE COMPANY, INC.,  
WEST COAST CHECKERBOARD ELEVATOR  
COMPANY, WESTLEY WAREHOUSE CO.,  
WEST LOS ANGELES MILLING CO., WILLOWS  
RICE DRIER & STORAGE COMPANY (CHESTER  
I. WOLCOTT, dba), and WOODLAND WARE-  
HOUSES (KENNETH E. BROWN, dba), for  
an Increase in Rates.

INTERIM OPINION

Applicants are public utility warehousemen engaged in the operation of so-called "agricultural" warehouses which are located mainly in the Sacramento Valley, in the San Joaquin Valley, and in the Central Coast Counties (the Counties of Monterey, San Benito, San Luis Obispo, Santa Barbara and Ventura). They seek authority to increase their rates and charges and to make various changes in the rules and regulations applicable to their services.

Pending hearing and decision on their various requests, they also ask that they be granted emergency interim authority to increase their rates for the storage of barley, oats, wheat, corn and milo in bulk from \$3.50 per ton per season to \$4.00 per ton per season.<sup>1/</sup> They propose that as a condition to the granting of the interim authority, said authority be made subject to a provision making the interim rate increases subject to modification or refund to the extent that any portion thereof is not found justified by a subsequent decision in this proceeding.<sup>2/</sup>

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<sup>1/</sup> Applicants' season storage rates for barley, oats and wheat apply from June 1 through the following May 31; their season storage rates for corn and milo apply from September 1 through the following August 31.

Rule 130, California Warehouse  
Tariff Bureau Warehouse Tariff  
No. 38, Cal. P.U.C. No. 203.

<sup>2/</sup> The proposed condition is set forth in a letter made part of the record herein as Ex Parte Exhibit No. 1.

Applicants allege that the rates and charges which they propose to increase have been in effect since 1962; that their operating costs have been increased subsequently by increases in taxes, rents, costs of labor and costs of materials and supplies; and that the revenues which they derive from their present rates are no longer sufficient to meet their operating costs. They assert that rate increases are necessary to the continuance of their operations and to the rendering of adequate and efficient warehousing services required by the public.

Applicants report that a test analysis which was made of the operating results for a year's period ending in 1970 for eight of their warehousing operations shows that said operations, in the aggregate, experienced an operating ratio of 113.8 percent under existing rates and would have experienced an operating ratio of 100.6 percent under proposed rates. Only two of those operations were conducted at a profit under present rates. Under the proposed rates only four of the operations would have resulted in a profit. Assertedly, the emergency interim increases which are sought in the storage rates for grain will not yield additional revenues sufficient to offset the applicable expense increases. They will, however, enable applicants to store and handle grain in bulk with reduced operating losses for the 1971-1972 season.

Applicants' storers have been notified of the interim rate increases which are herein sought. No objection to the authorizing of said increases has been received from them. The California Farm Bureau Federation has stated that it is not opposed to authorization of said increases subject to the refund

or modification provisions hereinbefore indicated. In the circumstances public hearing on the interim rate increase proposals is not necessary.

Applicants' allegations and supporting data are convincing that the interim rate increases which are sought in this matter should be authorized in order to provide timely relief from losses or inadequate revenues which applicants are experiencing under their present rates. We find that, subject to the previously-stated refund or modification provisions, said interim rate increases have been shown to be justified. Said increases should be so authorized pending further and subsequent consideration thereof in connection with other aspects of this application.

INTERIM ORDER

IT IS ORDERED that:

1. Subject to the condition set forth below, applicants are authorized to amend their tariff provisions contained in Item 40 of California Warehouse Tariff Bureau Warehouse Tariff No. 38, Cal. P.U.C. No. 203, to establish a rate of \$4.00 per ton per season (or any portion thereof) for the storage (and storage-handling) of whole grain, viz.: barley, oats, wheat, corn and milo, in bulk.

Condition:

The increased rates herein authorized and the proceeds therefrom are subject to modification or refund to the extent that any part thereof is not found justified by a subsequent decision in this proceeding.

2. The rate increases herein authorized may be made effective as to barley, oats and wheat not sooner than June 1, 1971. Said increases may be made effective as to corn and milo not sooner than September 1, 1971.

3. The amendment of applicants' tariff pursuant to the provisions of this order may be made effective not less than five days after the effective date hereof on not less than five days' notice to the Commission and to the public.

The authority herein granted shall expire unless exercised within one hundred twenty days after the effective date of this order.

The effective date of this order shall be five days after the date hereof.

Dated at San Francisco, California,  
this 18<sup>th</sup> day of MAY 1971.

[Signature]  
Chairman

[Signature]

[Signature]

[Signature]

[Signature]  
Commissioners