

ORIGINAL

Decision No. 46799

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Railway Express Agency, Incorporated,)	
a corporation, for an order allowing)	Application No. 32397
an increase in express rates and)	(First Supplemental)
charges.)	

Appearances

- Eugene M. Prince and Noel Dyer, for applicant.
- N. Bonaccorsi, for California State Florists Association, protestant.
- J. A. Montgomery, for California Grape and Tree Fruit League, protestant.

FIRST SUPPLEMENTAL OPINION

Railway Express Agency, Incorporated, is an express corporation operating over the lines of railroads and other common carriers. By Decision No. 46083 of August 14, 1951, in this proceeding, it was granted an interim increase in its intrastate rates of 20 cents per shipment, with certain exceptions. Applicant now seeks higher permanent rates subject to the exceptions it proposed in the interim proceeding. The permanent rates would not be in addition to but would supersede the interim adjustment. The sought advances correspond with those authorized in applicant's interstate express rates by the Interstate Commerce Commission's order of October 23, 1951, in Ex Parte No. 177, Increased Express Rates and Charges, 1951.

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No interim increase was sought nor authorized in less-carload rates on milk, cream and related products as described on pages 45, 46 and 47 of Commodity Tariff Cal.P.U.C. No. 213, newspapers and corpses and in carload commodity rates. In addition to these exceptions, the Commission limited the interim advance authorized on gift package shipments of fresh fruits, nuts and dates weighing 10 pounds or less to 5 cents per shipment in lieu of 20 cents as sought.

Public hearing of the intrastate proposals was held at San Francisco on January 18, 1952, before Commissioner Huls and Examiner Jacopi.² Representatives of the California Grape and Tree Fruit League and of the California State Florists Association appeared in opposition to the granting of the sought rate increases.

Under the proposals, 1st class weight rates named in cents per 100 pounds and on a per shipment basis would be increased by 30 cents per 100 pounds and by 30 cents per shipment, respectively. The 2nd class rates would be adjusted to the level of 75 percent of the increased 1st class rates. The 3rd class rate of 1.75 cents for each two ounces or fraction thereof would be raised to 1.0 cent per ounce or fraction thereof. Less-carload commodity rates on articles of food or drink would be advanced by 22.5 cents per 100 pounds. On articles other than food or drink, the sought increase amounts to 30 cents per 100 pounds. An upward adjustment of 25 percent is proposed in the additional charges applicable when the declared value of the shipment exceeds that on which the regular rates are based, in rates on empty containers returning named in cents per container, in C.O.D. service charges, and in rates and charges in the money classification. In addition, the present classification rating of "1st class pound rates" on advertising matter and live lobsters would be advanced to "1st class rates." A minimum charge of \$1.50 per less carload shipment would be established in lieu of present minima ranging from 55 cents to \$1.33. On minimum charges of \$2 or more, the proposed increase amounts to 25 percent.³

² The matter was submitted upon the filing of additional exhibits by applicant within 15 days after the date of the hearing as requested by the hearing officers. Copies of the exhibits were furnished to the interested parties. It was agreed by the parties that the record made in the interim proceeding also would be considered in disposing of the instant proposals.

³ The present minimum charges referred to are the basic tariff charges exclusive of the interim increase.

Evidence in support of the sought rate adjustments was introduced by the vice-president in charge of applicant's western operations, the general auditor, the regional traffic manager, the superintendent of supplies and by a number of operating officials. In addition, calculations of the estimated system-wide costs incurred by Southern Pacific Company in handling express traffic for applicant and of the amount by which the express company's payments for the service under the present rates fail to cover the rail costs were submitted by the manager of this railroad's bureau of transportation research.⁴

The vice-president asserted that the need for higher express rates was occasioned mainly by substantial advances in wages and in the costs of materials and supplies. He explained that under new labor agreements the wages of employees were increased by 12.5 cents per hour effective February 1, 1951. Further upward adjustments amounting to six cents per hour effective April 1, 1951, one cent per hour on July 1, 1951, and four cents per hour on January 1, 1952, were made, he said, under terms of the agreements providing for quarterly adjustment of wages in accordance with a specified cost of living formula. According to the record, the cost of these wage adjustments, exclusive of the January 1, 1952 increase, amounts to \$769,000 per year based upon applicant's California intrastate operations for the year 1951.⁵ The superintendent of supplies submitted comparisons of the 1950 and 1951 prices paid by applicant for

⁴ Applicant's operations over the railroads are generally conducted under a standard agreement which provides for segregation of the express revenues and operating expenses according to territories in which they accrue. After deducting applicant's own operating expenses, the remainder of the territorial revenue is distributed to the individual railroads in the proportion which the express revenue over each line bears to the total territorial revenue. The amounts so paid constitute the compensation of these railroads, including Southern Pacific Company, for handling the express traffic.

⁵ The effect of the wage increase of 4 cents per hour effective January 1, 1952, was not included in any of the calculations of operating results submitted by applicant. The amount of money involved in this wage adjustment is not of record.

a substantial list of equipment and supplies used in conducting the express operations. The comparisons disclosed that the 1951 prices averaged 10.65 percent more than those paid for the same articles in the preceding year.

The vice-president also explained that his company had undertaken a substantial program designed to improve operating efficiency and to reduce operating expenses where possible without serious impairment of the express service. An engineering concern has been retained to survey operations at terminals and depots for the purpose of establishing efficient handling methods. Selected operating employees are being given a course of instruction in such methods by the engineering concern. Another group of operating employees reporting directly to applicant's president is charged with the responsibility of determining and correcting deficiencies in the express service. An accounting research bureau has been established for the purpose of simplifying accounting methods and procedures. The duty of ascertaining whether the various classes of traffic are bearing a proper proportion of the cost of the service has been assigned to a traffic research group.

Evidence was offered by the vice-president showing the operating economies that had been made as a result of these activities. The handling of traffic in western territory was improved from 2.53 shipments per employee-hour in 1949 to 2.68 shipments in 1950. The performance figures for 1951 were not available. Operating economies amounting to \$204,336 were made in the year 1951 through greater efficiency achieved in the operation of the Los Angeles and San Francisco terminals, by elimination of pickup and delivery service where the revenue did not warrant its continuance, through savings in rents and salaries resulting from consolidation

of depots and by revision or consolidation of express messenger runs. According to the witness, economies that were achieved in the cost of maintenance had been more than offset by the wage increases for maintenance employees. He also pointed out that loss or damage claims for applicant's nation-wide operations had been reduced from 3.63 percent of the gross transportation revenue in 1947 to 1.93 percent in 1950. The figures for 1951 were not available but the witness indicated that the showing for the year would not be as favorable as that in the past because the claims paid reflected materially higher 1951 price levels. The claim experience in the western territory, he said, was comparable with that for the system operations. The witness asserted that despite the foregoing economies the revenues under the present express rates were insufficient to cover applicant's own operating expenses and no funds were available for compensating the railroads for the substantial services they performed on the express traffic.

Exhibits were submitted and explained by the general auditor showing the estimated results of operation for the year 1951 under the present rates and what the results would have been had the increased rates now sought been in effect during the year.

⁶ The total of \$204,336 is comprised of the following economies:

Los Angeles terminal	\$53,000
San Francisco terminal	60,000
Elimination of pickup and delivery service	2,940
Consolidation of depots	49,261
Revision of express messenger runs	39,135

⁷ The 1951 revenues and expenses were based upon the actual figures for the first 10 months of the year and estimates for November and December. The actual figures for the latter months were not available when the exhibits were prepared. The effect of the interim increase, which took effect on September 22, 1951, was eliminated from the 1951 revenues for comparison with the results under the proposed increases which would replace the interim adjustment.

He calculated that the proposed rates would produce additional revenue amounting to \$874,211 per year based upon the 1951 operations. No adjustment was made for anticipated changes in the volume of express traffic. The auditor stated that applicant expected to gain a substantial amount of additional traffic as a result of limitations imposed on parcel post shipments effective January 1, 1952 and that the establishment of the proposed rates would cause some loss of other traffic. The witness predicted, however, that the anticipated traffic gain would exceed the traffic that would be lost by a substantial amount. He explained that the short period of time that the new parcel post regulations had been in effect did not afford a basis for an estimate of the additional traffic in question. The results of the express operations over the rail lines as shown below were summarized from the auditor's exhibits.

Estimated Intrastate Express Revenues and Operating Expenses for the year 1951 Under Present and Proposed Rates, Exclusive of Revenues and Expenses for Air Express Operations.

	<u>Present Rates</u>	<u>Proposed Rates</u>
Express Revenues	\$3,192,633	\$4,066,844
Express Operating Expenses	<u>3,369,355</u>	<u>*3,371,541</u>
Amount available for compensating railroads for their services	(<u>3,176,722</u>)	\$ 695,303

*Adjusted to provide for gross revenue tax on the additional revenue from the proposed rates.

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Under the new parcel post regulations, the weight of shipments moving in zones 1 and 2 is generally limited to 40 pounds and for movements in zones 3 to 8, inclusive, the maximum weight is 20 pounds. Formerly, the maximum weight for the zones was 70 pounds.

The auditor pointed out that the amount of \$695,303 that would be available for compensating the California railroads for their services on express traffic was equal to 17.15 percent of the express revenue. He further pointed out that his exhibits showed that 64.48 percent of the express revenue was required by the rail lines in the western district to cover the costs of the express services exclusive of income tax and return on investment. The witness calculated that the payments to the railroads for the intrastate services in the test year under the proposed rates would fail to cover the rail costs by \$1,361,121.

However, a small amount of net revenue would be earned in the test year on applicant's California intrastate express operations over the airlines. According to an exhibit submitted by applicant, the intrastate air express revenues would amount to \$228,807 in the test year and applicant's own operating expenses would be \$203,809. After paying \$4,669 to the airlines under a contract for their services, net revenue amounting to \$20,329 would accrue to applicant. These calculations were based upon the operating results for the year 1951 with adjustment of the operating expenses to include the effect of the 1951 wage increases throughout the test year. It should be pointed out that the air express rates are not involved in the rate increases sought herein.

According to the record, Southern Pacific Company (Lines west of Ogden and El Paso, south of Portland and north of the Mexican border) handles about 66 percent of the express traffic moving over the western rail lines. The manager of the bureau of transportation research of Southern Pacific testified that the amounts paid by the express company for these services do not meet the rail out-of-pocket costs. He introduced a comprehensive study of the estimated cost of performing the express service for his company's system

operations for the 12 months ended August 31, 1951. The exhibit showed that the costs for this period, plus provision for income taxes and for 6 percent return on investment, were equal to 54.6 cents per 60-foot express car-mile whereas applicant's payments to his company amounted to 26.1 cents per car-mile. On this basis, the calculations showed that the express company's payments were deficient by \$4,914,069 on 17,242,348 sixty-foot express car-miles operated by Southern Pacific during the 12-month period in question. The aforesaid cost plus profit figure of 54.6 cents per car-mile was comprised of 31.3 cents for direct or out-of-pocket expenses, 8.8 cents for indirect expenses and 14.5 cents for income taxes and profit. These figures indicate that the express company's payments failed to cover Southern Pacific's direct or out-of-pocket system expenses on the express traffic by \$896,602, and the total of the direct and indirect system expenses by \$2,413,929.

The witness said that Southern Pacific handled the bulk of applicant's California intrastate rail express traffic. He did not submit intrastate cost figures but he asserted that the intrastate costs per 60-foot express car-mile would not differ materially from those experienced for the system operations.

Applicant's regional traffic manager explained the proposed increases in express rates. Assertedly, the sought adjustments of the less-carload class and commodity rates were no greater than necessary to have the traffic bear a fair share of the advanced cost of operation. It was pointed out that the commodity rates were established on low levels during the depression years and that even with the sought increase these rates still would be lower than those for interstate movements. He stated that applicant had made the 1950 general increases in express rate inapplicable on nursery stock and that under the instant proposals this

traffic also would bear the proposed advances in rates along with other traffic. The rates on empty containers returning were said to have been established at relatively low levels years ago to attract the loaded movements. It was asserted that in recent years shippers generally had adopted shipping containers that were not suitable for subsequent use and that the larger shipments since had been diverted to competing carriers. Assertedly, the reasons for maintaining these low rates no longer prevailed and the proposed adjustment was designed to bring the rates into reasonable conformity with current cost levels. In regard to the proposed general minimum charge of \$1.50 on less-carload shipments, it was pointed out that about one-half of applicant's traffic weighing 100 pounds or less was being handled at average revenues per shipment that were substantially less than the average cost of handling all traffic of \$1.96 per shipment, exclusive of the rail line-haul costs.⁹ Assertedly, applicant's revenue position could not be improved materially unless the revenue deficiency on small shipments at least was reduced. Evidence was submitted showing that the small shipments involved virtually as much handling as that accorded other shipments. The traffic manager also stated that the sought increase of 25 percent in the minimum charges of \$2 or more applicable on shipments of cats, live frogs, birds, livestock and other unusual articles was needed to compensate for increased costs. He conceded that some traffic would be lost as a result of the increased minimum charges. He asserted,

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The record shows the following average revenues per shipment under the present rates for shipments weighing less than 100 pounds: shipments moving under first class rates, \$1.54; shipments moving under second class rates, \$1.36; shipments of food and drink moving under commodity rates, \$1.53; and all other shipments moving under commodity rates, \$1.35. For all less-carload traffic, the average revenue was \$1.74 per shipment.

however, that in the main the present charges were casting an undue burden on other traffic and that applicant's over-all earning position on the small shipments would be improved materially under the proposals.

In regard to the 25 percent increase sought in charges for C.O.D. service, in charges in the so-called money classification covering the movement of coin, currency, precious metals and other valuable articles and in the additional charges applicable when the declared value of the shipment exceeds the basic value on which the express rates are based, the traffic manager explained that it was applicant's purpose to have these charges make a reasonable contribution toward the revenue needs. He stated that the cost of handling the C.O.D. shipments and of the additional services required had increased as a result of the wage adjustments. The witness also described various additional services rendered by applicant which, he said, were not accorded on such shipments by other carriers. The valuable shipments moved under the money classification, the traffic manager stated, were more expensive to handle than ordinary express traffic. Assertedly, these movements required constant protection while they were in applicant's custody and could not be commingled with the other express traffic. Special facilities equipped with safes and other protective devices, are provided for this traffic at applicant's terminals and offices and the employees handling the movements are equipped with firearms. With respect to the excess valuation charges, the witness said that the proposed charge for values up to and including \$100 would be lower than, and the charge for higher values not over \$200 would be the same as, that assessed by the post office department.

The traffic manager stated that rate adjustments identical with those sought herein had become effective on interstate express traffic on November 15, 1951. He introduced an exhibit in which he

compared the present first class rates for intrastate movements from various points of origin to a number of destinations in California with the higher interstate rates now applicable for comparable distances from points in Arizona and Nevada to the same California destinations. The witness asserted that the maintenance of interstate rates higher than those for intrastate movements for comparable distances would "result in discrimination against interstate shippers and undue advantage and preferential treatment for intrastate shippers."

Evidence relative to the service involved in the movement of shipments of bread and cake was offered by the supervisors of operations in the San Francisco Bay area and Los Angeles. According to the witnesses, special handling and expedited service is necessary because of the perishable nature of the goods. A number of applicant's vehicles are assigned exclusively to the movements from the bakeries to applicant's terminals. The daily pickups at the bakeries are made at agreed times. The vehicles are not used to perform any other pickup service while engaged in the movement of bread and cake. The shipments usually arrive at the terminals a short time before train departures. This involves handling of the goods separately from other traffic and speedy sorting and loading to assure movement on the various trains.

The supervisor of perishable traffic described the type of service rendered on gift package shipments of fresh fruits, nuts and dates. According to the witness, these shipments consist mainly of packages of fresh fruits weighing from 8 pounds to 30 pounds forwarded by a few large shippers. Usually, there is one package per shipment. The majority of the shipments are delivered

by applicant to the consignees' residences. As compared with deliveries to commercial establishments, the movements to the residences involve considerably greater distances from applicant's terminals. Because of wide differences in the shipping practices of the various shippers, experienced supervisors are required, particularly during December when temporary employees are used to handle the holiday traffic. Since the gift traffic is seasonal and moves from different points depending upon the variety of the fruit, it is necessary to send the supervisors to the various points of shipment. Special handling also is provided in connection with shipper requests for deliveries to consignees on specified dates. Although the shippers prepare the shipping documents, applicant's employees enter thereon the weights, dates and charges and affix the billing to the packages. Some of the larger shippers maintain "club" plans under which a gift package of fruit is sent to designated consignees 8 to 10 times per year. The shippers forward the billing and address labels therefor to the express agent at the shipping point about one week in advance of shipment. Assertedly, applicant incurs additional expense on these movements by reason of changes in or cancellations of the shipping documents requested by the shippers in advance of shipment. At times, shipments are made on Saturdays or Sundays. Under the 40-hour week, this involves payment of overtime to applicant's employees. The witness in question asserted that in view of the conditions surrounding the movements, the gift package traffic was not considered desirable business under applicant's present rates.

Exhibits of record show that a total of 163,946 gift package shipments consisting of fruits, nuts and dates were forwarded from California shipping points during the peak periods of 1951, of which 155,253 were interstate shipments and 8,693 were California

intrastate movements. The interstate and intrastate revenues amounted to \$234,022 and \$8,114, respectively. The exhibits also show that of the total of 163,946 shipments those weighing 10 pounds or less consisted of 42,700 interstate and 2,082 intrastate shipments. The corresponding revenues amounted to \$42,813 and \$1,696. The supervisor of perishable traffic pointed out that rate increases identical with those sought herein were already in effect on interstate traffic. He asserted that unless the proposed rate adjustments were authorized in full intrastate gift package shipments from Los Angeles to Dunsmuir, Eureka, Sacramento and Truckee, for example, would bear charges lower than those now applicable on like shipments for the shorter distances involved in interstate movements from Los Angeles to Las Vegas, Nevada and Yuma, Arizona. Similar rate disparity, he said, would prevail on intrastate shipments from San Jose to Eureka, Los Angeles and San Diego as compared with the shorter interstate movement from San Jose to Reno, Nevada.

California Grape and Tree Fruit League opposed the granting of the sought rate increase on gift package shipments. According to the evidence introduced by the League's manager of traffic and transportation, the weights of gift packages range from 1 pound to 25 pounds and about 75 percent of the packages sold weigh 10 pounds or less. Assertedly, these packages are prepared for sale at heavy expense. Specially trained and experienced help is employed and costly containers, ribbon, cellophane wrapping and other packing materials are used. The selling price includes the transportation charge to the point of destination.

According to the record, virtually all of California's crop of winter varieties of fresh pears are produced in Santa Clara County. The bulk of the gift package shipments of these pears moves

to Los Angeles in single packages weighing about 10 pounds. The selling price delivered in Los Angeles is \$3.15 each. The cost to the shipper is \$3.00 each, including packing and the transportation charge but exclusive of overhead charges. The record indicates that any increase in the transportation charge must be borne by the shippers. Assertedly, past attempts to advance the selling price had resulted in substantial loss of business and higher unit costs. These conditions were said to be relatively true of gift packages of other commodities. It was asserted that under these circumstances the shipments could not bear the proposed rate increase and that if it were authorized the shippers would be forced to divert the bulk of the traffic to parcel post.

In addition to the protest of California Grape and Tree Fruit League, the California State Florists Association opposed the sought rate increases but did not offer any direct evidence. The record shows that the Commission's secretary sent notices of the hearing to chambers of commerce throughout the State and to a substantial list of shippers, organizations and other persons believed to be interested. No one else appeared in opposition to the granting of the application.

Conclusions

Applicant has experienced substantial increases in the wages of employees and in other operating expenses. Labor costs amount to about 78 percent of the total annual expenses. Under the higher cost levels, the revenues derived from the present permanent intrastate rates in the test year would be insufficient to cover applicant's own operating expenses and no funds would be available to pay the railroads for transporting the intrastate express traffic. To

improve its earning position, applicant has undertaken a program designed to reduce expenses through greater operating efficiency. By these activities, it was able to lower its own costs in 1951 by \$204,336. Increases in basic wage rates and associated cost of living adjustments made under the labor agreements during the same period, however, raised the cost of wages for the intrastate operations by \$769,000 per year. Applicant anticipates that the revenue under the proposed rates would be sufficient to cover its own increased expenses and to enable it to pay \$695,303 to the railroads for their services. The record indicates that this payment would amount to \$1,361,121 less than that required to defray the costs, exclusive of income taxes and return on investment, incurred by the railroads in handling the express traffic. However, these amounts were based upon the 1951 express operations and the effect of the 4-cent per hour wage increase on January 1, 1952, was not included in the express company's operating expenses used in the calculations. On this record, it is clear that applicant needs relief and that the revenue from the proposed rates would fall far short of covering both applicant's own expenses and the aforesaid rail costs.

As previously stated, applicant's officials admitted that some traffic would be lost upon the establishment of the proposed rates but they asserted that the loss would be exceeded considerably by the additional intrastate traffic that applicant expected to obtain as a result of the recent changes in parcel post regulations. Assuming that the expected increase in traffic materialized, it does not appear that the additional revenue therefrom would enable applicant to cover the substantial deficiency in its payment for the rail service on express shipments. However, there are reasons for doubt that applicant would obtain a substantial amount of the parcel post

traffic as anticipated. Admittedly, competing carriers generally provide service that at least is as fast as that of the express company. In addition, the competitors' rates are now materially lower than the express rates and the differences would be even greater with the establishment of the proposed rates. These circumstances tend to indicate that the shipments that no longer will be accepted by parcel post would gravitate largely to the services of the express company's competitors. Nevertheless, the evidence of record shows that applicant's revenue position on the whole would be improved materially under the sought rates.

The protest against the proposed rate increase on the gift package traffic will now be considered. Decision No. 46083, supra, authorized an interim increase of 5 cents per shipment on gift packages weighing 10 pounds or less in lieu of 20 cents per shipment sought on less-carload traffic generally, including gift packages. As shown in the decision, the interim increase was limited to 5 cents per shipment because the record indicated that the flat increase sought was out of proportion to the weight of and the transportation charges for such shipments and would result in substantial loss of traffic. In that proceeding, applicant offered no evidence specifically dealing with gift package shipments. Applicant now seeks an increase of 22.5 cents per 100 pounds on gift packages and other traffic moving under less-carload commodity rates, subject to a minimum charge of \$1.50 per shipment in lieu of the present minimum of 79 cents.¹⁰ As previously stated, this adjustment would supersede the interim increase.

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The intrastate express rates in question are stated in applicant's tariffs in cents per 100 pounds.

The Commission now has before it a more comprehensive record dealing with gift package shipments than was the case when the interim adjustment was considered. The evidence offered by the protestant has been carefully reviewed. Applicant presented evidence showing that the California intrastate movement of gift packages is only a small portion of the total movement. Applicant also submitted evidence, and it was not disputed, that various additional services involved on gift package shipments were not usually necessary on other express movements and indicating that the gift packages were relatively more expensive to handle. Other evidence of record shows that the substantial revenue deficiency existing on the large number of small shipments of various commodities handled by applicant has contributed materially to the operating loss experienced under the present express rates. Under the circumstances now of record, it appears appropriate that the gift package traffic should bear its full share of the higher cost of operation along with express traffic generally, including small shipments of other commodities. The sought increase will be authorized.

Upon careful consideration of all of the facts and circumstances of record, we are of the opinion and hereby find that the proposed increases in intrastate express rates and charges are justified. In view of the evident need for additional revenue, applicant will be authorized to establish the increased rates and charges on less than statutory notice.

In this proceeding, consideration has been given to applicant's over-all revenue requirements and no study has been made of each or any of the rates or charges. In authorizing the increases herein involved the Commission does not make a finding of fact of the reasonableness of any particular rate or charge as so increased.

O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion, -

IT IS HEREBY ORDERED that Railway Express Agency, Incorporated, be and it is hereby authorized to establish, on not less than five (5) days' notice to the Commission and to the public, the increased express rates and charges as proposed in the first supplemental application filed in this proceeding.

IT IS HEREBY FURTHER ORDERED that concurrently with the effectiveness of tariffs naming the increased rates and charges authorized herein, the interim increase granted by Decision No. 46083 of August 14, 1951, in Application No. 32397, shall be abrogated and superseded.

IT IS HEREBY FURTHER ORDERED that to the extent departure from the terms and rules of Tariff Circular No. 2 of this Commission is required to accomplish publication of the increases herein authorized, authority for such departure be and it is hereby granted.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is subject to the express condition that applicant will never urge before this Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that the opinion and order herein constitute a finding of fact of the reasonableness of any particular rate or charge, and that the filing of rates and charges pursuant to the authority herein granted will be construed as consent to this condition.

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IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty (60) days after the effective date of this order.

This order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 26th day of February, 1952.

R. J. [Signature]
President
Justice F. [Signature]
Harold S. [Signature]
John E. [Signature]
Commissioners