

ORIGINAL

Decision No. 49046

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SIGNAL TRUCKING SERVICE, LTD., a)
 corporation, for an order author-)
 izing a change in tariff. .)

Application No. 34466

Edward M. Berol, for applicant.

Jackson W. Kendall, for Bekins Van Lines, Inc.,
 interested party.

Irving W. Hamilton, for Los Angeles Warehousemen's
 Association, interested party.

Norman Haley and Henry J. Miller of the staff of the
 Public Utilities Commission.

O P I N I O N

Signal Trucking Service, Ltd., a corporation, is engaged, among other activities, in the operation of public utility warehouses in the Los Angeles area. By this application it seeks authority to establish increased warehouse rates.

The application was filed on June 24, 1953. Public hearing was held before Examiner Bryant at Los Angeles on August 7, 1953. The matter is ready for decision.

Signal Trucking Service, Ltd., operates two public warehouses, one located at 4455 Fruitland Avenue in the City of Vernon, and the other at 315 Marine Avenue in the Wilmington

district of the City of Los Angeles. The rates applicable at the Vernon warehouse are those contained in warehouse tariffs Nos. 5-J and 7-C.¹ These tariffs apply at most of the public warehouses in Los Angeles and the surrounding area, but do not apply in Wilmington or the other harbor communities. In general, the harbor rates are lower. Those applicable at applicant's Wilmington warehouse are contained in a tariff of its own issue. Applicant herein seeks authority to make its Wilmington warehouse subject to tariffs 5-J and 7-C and to cancel concurrently its own tariff.

In support of its proposal applicant introduced evidence through its president, its traffic manager, its cost analyst, the secretary of the Los Angeles Warehousemen's Association, and an officer of Bekins Van Lines, Inc. The testimony included general statements to the effect that identical rates at both of applicant's warehouses would be a convenience to the company and to its patrons, that the present rate difference is discriminatory, that the existing rates maintained by applicant and other warehousemen in the harbor area are subnormal and in some cases noncompensatory, and that it is the future intention of other warehousemen to extend the application of tariffs 5-J and 7-C to the harbor area at the first opportunity. Primarily, however, applicant relies in this proceeding upon its need for increased revenues.

¹ California Warehouse Tariff Bureau Warehouse Tariff No. 5-J, Cal. P.U.C. No. 94 (L. A. Bailey series), issued by Jack L. Dawson, Agent; and California Warehouse Tariff Bureau Warehouse Tariff No. 7-C, Cal. P.U.C. No. 102 (L. A. Bailey series), issued by Jack L. Dawson, Agent.

Applicant's cost analyst introduced a statement to show that the Wilmington warehouse incurred a net loss of \$4,686 in the three months from April through June 1953, and that the loss would have been reduced to \$1,354 if the proposed tariffs had been applicable during the period. He estimated the results for a future year by multiplying by four his figures for the three-month period. No evidence was offered relating to the revenues or expenses prior to April 1953. The witness explained that applicant operated at another location in Wilmington from 1950 to April 1953, where it maintained some 12,000 square feet of floor area. On or about April 9, 1953, it moved to its present location where it maintains 40,168 square feet of occupiable area. The witness said that there had been such a close interlinking of operations and expenses between trucking and warehousing at the old location that it would be impossible to segregate the warehouse figures. For this reason he relied upon the recent experience in the new location.

As a consequence it will be seen that the financial data upon which applicant relies to show its need for higher rates cover an actual operating period of less than three months. The cost analyst said that the period would be reasonably representative of an annual period. However, it must be questioned whether the revenue and expense data of record can be relied upon to represent a future rate year when consideration is given to the fact that the short period covered was the initial one in a new location. As one important factor, the record does not disclose to what extent the storage space was occupied during

the test period. It would be reasonable to presume that in moving to its present larger facilities applicant would have experienced something less than full normal occupancy during the initial period. From such a presumption it would follow that future storage revenues may well exceed those of the initial test period without any change in rates. Clearly the occupancy factor is an important consideration in estimating warehouse operating experience and revenue requirements.

Granting of the application was supported by the Los Angeles Warehousemen's Association and by Bekins Van Lines, Inc. No one opposed it. Advance notices of the hearing were sent to the affected warehouse patrons. Nevertheless, the evidence is not sufficient to constitute a showing that the proposed rate increase is justified as required by Section 454 of the Public Utilities Code. The application to establish increased rates and charges will be denied without prejudice to further consideration if and when applicant is prepared to offer additional evidence.

Applicant asked at the hearing that it be authorized to remove from its warehouse tariff certain addresses. Its president and other witnesses testified that no public warehousing service had ever been performed or offered at these locations, and that the addresses appeared in the tariff through misunderstanding and inadvertence. The requested address changes are in some respects indefinite and uncertain when considered in relation to the testimony and the tariff. Furthermore these changes are not wholly germane to the instant application. Therefore, the request for authority to remove addresses from the tariff will be denied without prejudice.

O R D E R

Public hearing having been held in the above-entitled application, and based upon the findings and conclusions set forth in the preceding opinion,

IT IS ORDERED that Application No. 34466 be and it hereby is denied without prejudice.

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

Dated at San Francisco, California, this 1st day of September, 1953.

R. J. [Signature]
President

Justin J. [Signature]

[Signature]

[Signature]

Commissioners

Commissioner..... Harold P. Huls, being necessarily absent, did not participate in the disposition of this proceeding.