

Decision No. 56235**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of UNITED CALIFORNIA EXPRESS & STORAGE CO., a California Corporation, doing business as U. C. EXPRESS & STORAGE CO., and also doing business as WHITE PORTABLE COMPRESS COMPANY, DIVISION OF UNITED CALIFORNIA EXPRESS & STORAGE CO., for authority to increase Cotton Storage Rates on less than thirty days' notice.)
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) Application No. 39644
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OPINION AND ORDER

United California Express & Storage Co. is engaged, among other activities, in public utility warehousing operations for the storage of cotton and cotton linters in Oakland.¹ By this application it seeks authority, under Section 454 of the Public Utilities Code, to increase its cotton storage rate from 43 cents per bale, per month or fraction thereof, insurance included, to 60 cents. Applicant also requests that the application be granted ex parte and that publication of the increased rate be authorized on less than statutory notice.

According to the application, the public utility operations here involved are being conducted at a loss and are expected to continue to be operated at a loss under the present rates. It is alleged that the sought increase is necessary to enable applicant to continue in business and to render an adequate and efficient service to the public. It is further alleged that it is extremely important that the proposed increase be authorized and put into effect as soon as

¹In connection with the cotton storage, applicant also performs the compressing of cotton. Applicant's principal activities are the transportation and storage of used household goods and personal effects, office, store and institutional furniture and fixtures. Applicant holds household goods carrier, city carrier, radial highway common carrier and highway contract carrier permits. The storage of used household goods is conducted at Oakland and Berkeley. No cotton storage or compressing activities are conducted at these warehouses.

possible in order to minimize out-of-pocket losses.

Applicant states that it acquired the operation involved from Donald C. White, doing business as White Portable Compress Company, in November, 1957, and hence no adequate financial statements reflecting applicant's experience in the public utility warehousing operations are available. Assertedly, the 1957 profit and loss statements of applicant's predecessor are not available. Applicant further states that figures for a full year are necessary to present a complete picture of this operation. Therefore, applicant has submitted revenue and expense data of its predecessor for the year 1956.

According to the data submitted, the public warehouse operation involved was conducted at a loss of \$16,293.84 in 1956. Of this loss, \$8,931.43 was allocated to storage operations. Applicant also submitted a projected result of operations based on the 1956 revenues adjusted to reflect charges based on the proposed rate and expenses adjusted to reflect current costs and experiences, except that a recent increase of approximately 6 percent in wages was not taken into account.² On the basis of the adjusted figures, applicant estimates that a loss of \$8,029.80 and an operating ratio of 106 percent will be incurred in its public utility warehousing operations while the storage operation alone will show a profit of \$3,825.13 and an operating ratio of 92 percent.

Applicant claims that the proposed increased rate of 60 cents per bale, insurance included, is substantially the same as the average net storage rate, without insurance, of 43 cents per bale plus an average insurance rate of 17 cents per bale charged by its competitors. The application alleges that increases in its rates for other public utility warehouse services are not sought because of competitive conditions.

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Applicant expects to offset this wage increase through closer supervision by its managerial personnel and improved methods of operation.

The application shows that there are only three patrons of the warehouse. Anticipating the possibility of an ex parte decision herein, the applicant, on December 16, 1957, mailed a copy of this application to each of its storers and also to those members of the public believed to be interested. According to the application, all of the storers have approved the proposed increase. No objections have been received from any party.

Upon consideration of all the facts and circumstances, the Commission is of the opinion and finds that the proposed increased rate for the storage of cotton is justified. The application will be granted. A public hearing is not necessary. In view of the urgent need shown for increased revenues, applicant will be authorized to publish the increased rate on ten days' notice.

Therefore, good cause appearing,

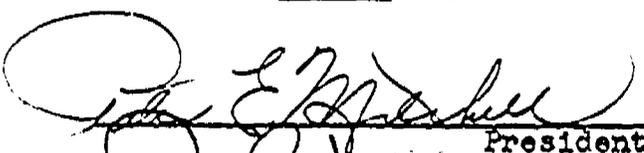
IT IS ORDERED:

(1) That applicant is hereby authorized to establish, on not less than ten days' notice to the Commission and to the public, the increased rate proposed in the above-entitled application.

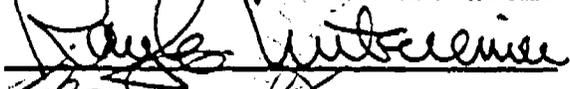
(2) That the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at Los Angeles, California, this 10th day of February, 1958.



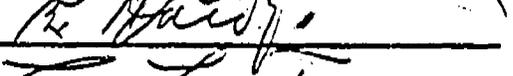
 President



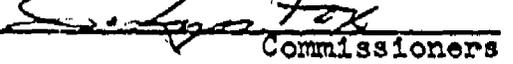
 Commissioner



 Commissioner



 Commissioner



 Commissioner