

**ORIGINAL**

Decision No. 50508

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of A. L. WAY and J. F. RETHERFORD, ) Application No. 39869  
doing business as MODERN COLD )  
STORAGE CO., to increase rates. )

OPINION AND ORDER

Applicants, A. L. Way and J. F. Retherford, doing business as Modern Cold Storage Co., operate a public utility cold storage warehouse in Exeter, Tulare County for the storage of fresh fruits and potatoes. By this application they seek authority to increase their rates for storing and handling grapes, peaches, plums and nectarines.<sup>1</sup> Applicants also request that publication of the sought increases be authorized on less than statutory notice.

The present and proposed rates for the storage and handling of the commodities in issue are as follows:

<u>COMMODITY</u>	<u>CURRENT RATES</u>		<u>PROPOSED RATES</u>		
	<u>First Month</u>	<u>Subsequent Month</u>	<u>First Month</u>	<u>Second Month</u>	<u>Subsequent Month</u>
FRUIT, FRESH, (COOLER) viz., GRAPES, PEACHES, PLUMS AND NECTARINES: Per box of 32 lbs. or less gross weight	.07	.05	.09½	.08	.07
	If stored for 5 days or less the charge is 5¢ per box.		If stored for 5 days or less the charge will be 7¢ per box.		
	An extra charge of 2¢ per box is made for carloading plus a charge for materials used.		An extra charge of 3¢ per box will be made for carloading plus a charge for materials used.		

<sup>1</sup> No rate increases are proposed at this time on other fresh fruits or on potatoes.

According to the application, applicants' public utility operations are being conducted at a loss and are expected to continue to be operated at a loss under the current rates. The application shows that applicants' storage and handling rates for the fresh fruits herein involved were established in 1946 and have not since been increased. The application further states that it is important that the proposed increases be made effective as soon as possible because the storage season commences by May 15 of each year. It is alleged that unless the sought increases are granted and made effective on or before May 15, 1958, that applicants' net loss for the 1957-58 fiscal year will be greater than it has been in past years. Following is applicants' statement of income and expenses for the fiscal year ended June 30, 1957:

Income:

Storage	\$53,398.89	
Gassing and Fumigating	2,201.47	
Handling	<u>6,199.94</u>	
Gross Income		\$61,800.30

Expenses:

*Salaries, Partners	\$18,000.00	
Labor	15,361.86	
Payroll Taxes	681.44	
Repairs, Building	3,684.62	
Repairs, Equipment	3,000.11	
Gas and Fumigants	1,972.66	
Supplies and Small Tools	4,567.26	
Advertising	236.80	
Utilities	6,647.61	
Telephone	186.40	
Insurance	2,604.52	
Gas and Oil	265.75	
Travel	575.00	
Office Supplies	100.02	
Freight and Express	160.31	
Taxes, Licenses and Permits	2,369.20	
Legal and Accounting Fees	912.45	
Dues and Subscriptions	167.00	
Miscellaneous	496.00	
Involuntary Conversion:		
Residual Value Wrecked 1953 Buick	110.45	
Abandonment Loss:		
Blower and Ammonia Coil Units	1,933.14	
Depreciation	<u>5,651.99</u>	
		<u>\$69,684.59</u>
Net Loss		<u>(\$ 7,884.29)</u>

\*This Profit and Loss Statement includes as expenses a salary of \$1,000 per month for J. F. Retherford and \$500 per month for A. L. Way. Mr. Retherford manages and devotes full time to the business.

According to the data submitted, applicants stored 49,531  
lugs of peaches, plums, grapes and nectarines during the 1957  
season. All of these lugs, the application states, were stored for  
a period not exceeding one month. The application shows that under  
applicants' existing rates, revenue for this storage amounted to  
\$4,457.79. Applicants contemplate that their 1958 storage season  
of the aforementioned items will be equal to that stored during 1957.  
The sought increases, applicants state, would result in increased  
revenue of \$1,733.59. While no projection of expenses for the  
fiscal year ending June 30, 1958, was submitted, the application  
states that expenses will be greater for the forthcoming fiscal  
year and cites as an example the increase in Tulare County pro-  
perty taxes in the amount of \$1,221.24. On an over-all basis,  
the application shows that applicants will continue to operate at  
a loss under the sought increases. Their loss, according to the  
application, will be reduced from \$7,884.29 to \$6,150.70.

The application shows that on or about February 26, 1958,  
applicants notified all of their storers by letter of the proposed  
increases and requested that any objections thereto be made known  
to the Commission. No objections have been received.

Upon consideration of all the facts and circumstances,  
the Commission is of the opinion and finds that the increases in  
applicants' rates as shown in the following order are justified.  
A public hearing is not necessary. In view of the urgent need  
shown for increased revenues, applicants will be authorized to  
publish the increased rates on five days' notice.

Therefore, good cause appearing,

IT IS ORDERED:

(1) That applicants are hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the increased rates and charges as follows:

<u>Commodity</u>	<u>Rates in Cents</u>		
	<u>First Month</u>	<u>Second Month</u>	<u>Subsequent Month</u>
Fruit, fresh (cooler) viz., Grapes, peaches, plums and nectarines: Per box of 32 lbs. or less gross weight	.09½	.08	.07

If stored for 5 days or less the charge will be 7 cents per box.

An extra charge of 3 cents per box will be made for carloading plus a charge for materials used.

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

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

Dated at San Francisco, California, this 15<sup>th</sup> day of April, 1958.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]  
Commissioners