

Decision No. 57772

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ALLEN WAREHOUSE COMPANY OF CALIFORNIA, INC., for authority to increase certain warehouse rates.	}	Application No. 40633
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OPINION AND ORDER

Allen Warehouse Company of California, Inc., is a corporation engaged, among other activities, in public utility warehousing operations for the storage of cotton at a location in the vicinity of Fresno.<sup>1</sup> By this application it seeks authority, under Section 454 of the Public Utilities Code, to increase its cotton storage rate from 43 to 46 cents per bale, per month or fraction thereof. Applicant also requests that publication of the increased rate be permitted on less than statutory notice. No increase is sought in the charges for other warehousing services.

Applicant has maintained the current rate since January 26, 1953. According to the application, the public utility warehouse operations here involved are being conducted at a loss. Applicant alleges that it is important that the proposed increase be authorized and put into effect before the heavy movement of the 1958-59 cotton crop.

According to the data submitted, the public warehouse operation involved was conducted at a loss of \$3,647 for the fiscal year ending May 31, 1958. Applicant also submitted a projected result of operations based upon the proposed increased rate. On the basis of the adjusted figures, if the proposed rate

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<sup>1</sup> In connection with the cotton storage, applicant also performs the compressing of cotton.

had been in effect during the year ending May 31, 1958; its warehouse operations would have been conducted at a profit of \$2,653. A summary of these operating results is shown in the following table:

Public Utility Warehousing  
Operations under Current and Proposed Rate

<u>Income:</u>	<u>Under Current Rate</u>	<u>Under Pro- posed Rate</u>
Storage	\$ 79,998	\$ 86,298
Handling In and Out	63,661	63,661
Sampling	1,469	1,469
Weighing	<u>3,409</u>	<u>3,409</u>
TOTAL INCOME	\$148,537	\$154,837
 <u>Expenses:</u>		
Allocated Expenses	78,884	78,884
Direct Labor	<u>73,300</u>	<u>73,300</u>
TOTAL EXPENSES	\$152,184	\$152,184
NET PROFIT	\$ (3,647)	\$ 2,653

( ) Indicates loss

The application states that the Commodity Credit Corporation, an agency of the United States Government, has recently entered into new cotton storage agreements with the various cotton warehouses throughout the United States whereby it agrees to pay for the storage of government cotton the established tariff rate of such warehouses or 46 cents per bale (per month or fraction thereof) whichever is less. Applicant states that it stores a large amount of government cotton and that unless it is permitted to increase its cotton storage rate to 46 cents as proposed it will not be able to apply the higher storage rate to Commodity Credit Corporation storage.

Applicant further states that its principal storers were notified of the proposed increase. No objection to the granting of the application has been received.

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. Applicant will be authorized to publish the increased rate on five days' notice.

Therefore, good cause appearing,

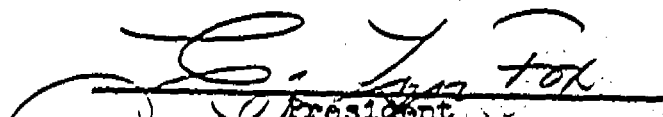


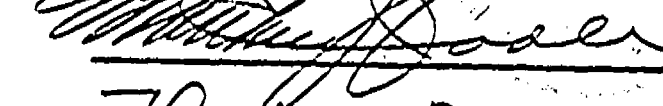
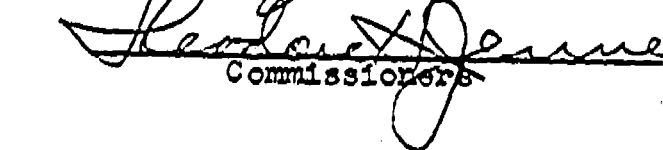
IT IS ORDERED:

(1) That applicant is hereby authorized to establish, on not less than five 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 San Francisco, California, this 9<sup>th</sup> day of December, 1958.

  
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President  
  
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Commissioners