

Decision No. 5S169

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 BURBANK REFRIGERATING COMPANY,  
 CALIFORNIA ICE AND COLD STORAGE  
 COMPANY, CRYSTAL COLD STORAGE  
 WAREHOUSE (Carl W. Montgomery, dba),  
 FEDERAL ICE & COLD STORAGE COMPANY,  
 IMPERIAL ICE COMPANY, LOS ANGELES  
 COLD STORAGE CO. (dba Los Angeles  
 Ice & Cold Storage Co., Pasadena Ice  
 Company, Pomona Valley Ice Co.),  
 NATIONAL STORAGE COMPANY, NATIONAL  
 ICE & COLD STORAGE CO. OF CALIFORNIA,  
 ONTARIO ICE & COLD STORAGE COMPANY  
 (W. W. Stevens, dba), PACIFIC COLD  
 STORAGE INC., SANTA MONICA COLD  
 STORAGE COMPANY (B. F. Killam and  
 M. C. Hernage, dba), TERMINAL REFRIG-  
 ERATING COMPANY, TRIANGLE COLD  
 STORAGE CO., UNION ICE AND STORAGE  
 COMPANY, and U. S. GROWERS COLD  
 STORAGE, INC., for an increase in  
 rates.

Application No. 40384

John G. Lyons and Jack L. Dawson, for applicants.

T. E. Sharp, for Los Angeles Military Subsistence  
 Market Center, interested party.

Hugh N. Orr, for the Commission's staff.

O P I N I O N

Applicants are cold storage warehousemen conducting operations at various locations in the Counties of Los Angeles, Orange, Riverside, San Diego and San Bernardino. They seek authority to establish increased rates and other changes in their tariffs on less than statutory notice.

Public hearings on the application were held before Examiner C. S. Abernathy at Los Angeles on December 15, 18 and 19, 1958.

Evidence was presented by applicants through their tariff agent and through several of their officers and employes. Members of the Commission's staff participated in the development of the record.

According to the application and the record in this matter, the circumstances which have led up to the filing for the rate increases which are sought in this proceeding are as follows:

Applicants' charges are essentially the same as they were when first established more than 30 years ago. Since then, there have been substantial increases in virtually all costs of providing the services involved. The greatest of these increases have been in the costs of labor. Applicants have endeavored to meet the higher costs by increased mechanization of their operations and by effecting other efficiencies. Their efforts in this direction have been offset to a considerable extent by changes in merchandising methods of their patrons, which have resulted in an appreciable decrease in the quantities of the lots that applicants receive or ship from storage. A substantial number of such lots are of such size that they are not susceptible to advantageous handling by mechanized means. Applicants assert that as a consequence of the increases in labor costs and of the reduction in size of the individual lots they have reached the point where their revenues under their present rates do not yield a sufficient margin over expenses to provide a reasonable return. By their proposals they seek to increase their total revenues by about 6 percent.

Applicants' proposals are set forth in detail in Appendix "A" to the application, as amended. Examples of the present and

proposed rates are set forth in the margin below.<sup>1</sup> Generally, the greatest of the sought increases are in the rates for handling small shipments (shipments of only a few hundred pounds) and in the rates for other services which involve labor primarily. In this connection, applicants' objectives are:

- a. To provide a more compensatory level of handling rates for small lots of merchandise;
- b. To adjust lot delivery and accessorial charges to a more compensatory basis in order to avoid unduly burdening other warehousing services; and
- c. To establish more reasonable quantity lot breaks.

Applicants also seek to revise their tariff provisions so as to show handling and storage rates as separately stated factors

<sup>1</sup> Examples of present and proposed rates:

	<u>Present Rates</u>	<u>Proposed Rates</u>
Labor for loading cars or trucks, unloading trucks, or for special services,		
per man per hour, regular time	\$3.00	\$3.50
" " " " , overtime	4.50	5.00
Deliveries ex car or platform, per package	.11	.15
Additional delivery charge, small lots		
Less than 1000 pounds	.25	
Less than 1500 pounds		.35
Short-hold detention (48 hours), per 100 pounds	.20	.30
Handling, per 100 pounds:		
Butter		
Less than 5000 pounds	.25	.37½
More than 5000 pounds	.20	
More than 15000 pounds		.20
Frozen Meat (Carcass Meat)		
Less than 2000 pounds	.20	.45
More than 10000 pounds	.20	.30
Frozen berries, fruits, vegetables (20 pounds per cubic foot)		
Less than 2000 pounds	.20	.37½
More than 10000 pounds	.10	
More than 30000 pounds		.15
Merchandise, not otherwise specified (25 pounds per cubic foot)		
Less than 5000 pounds	.20	.37½
More than 20000 pounds	.20	.25

instead of on a consolidated basis as at present. They seek to cancel a number of so-called "dead" rates (rates for services for which there has been no demand for a year or more). In addition, Union Ice and Storage Company, one of the applicants, seeks to cancel its individual tariff No. 6-D, Cal. P.U.C. No. 14 covering cold storage operations at Wilmington and San Pedro, and to be governed instead by the same tariff provisions as apply to its operations and to those of other applicants elsewhere in southern California.

Evidence in support of the sought adjustments which applicants' tariff agent submitted was designed to show (a) present hourly costs of warehouse labor; (b) applicants' past operating experience under present rates, and (c) the operating results that applicants would obtain under their present level of expenses and under the sought rates. With reference to warehouse labor (for which applicants seek to establish a rate of \$3.50 per man per hour), the agent developed present hourly costs of \$3.09, \$3.21 and \$3.47 for freight handlers, fork lift operators and foremen, respectively. These costs are exclusive of provision for supervision, administration and such other overhead expenses as should be applied to develop the total applicable costs.

The data concerning applicants' past operating results under present rates were drawn from the warehousemen's reports to the Commission for the year 1957. In the development of these data the tariff agent in certain instances included adjustments in his compilations to eliminate the effect of what he considered to be

excessive charges to depreciation expense in connection with the determination of a suitable base for fixing rates. In these instances he adjusted the depreciation charges to conform to those allowable for income tax purposes. Another adjustment which he made was for the purpose of developing rate base and related operating expense figures for one applicant on the basis that the operating properties of that applicant were owned by him instead of rented.<sup>2</sup> This expense adjustment consisted of the substitution of the expenses of property ownership (depreciation, repairs and taxes) for the rental payments actually made. The adjusted 1957 operating data which the tariff agent thus developed are set forth in Table 1, below:

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<sup>2</sup> It appears that the other applicants own their operating properties, and that the adjustments were made in order to arrive at figures comparable to those of the other warehousemen.

Table No. 1

## FINANCIAL RESULTS OF OPERATIONS, ADJUSTED.

Year, 1957

	<u>Gross Operating Revenues</u>	<u>Expenses</u>	<u>Net Operating Revenues</u>	<u>Rate Base</u>	<u>Operating Ratio</u>	<u>Rate of Return</u>
Burbank Refrigerating Company	\$ 322,656	\$ 276,294	\$ 46,362	\$ 487,392	85.6	9.24
California Ice and Cold Storage Company	539,491	475,441	64,050	954,403	88.0	6.7
Crystal Cold Storage Warehouse	20,932	17,034	3,898	40,803	81.5	9.54
Federal Ice & Cold Storage Company	696,968	587,879	109,089	547,548	84.3	19.9
Imperial Ice Company	8,585	6,446	2,139	50,555	75.1	4.2
Los Angeles Cold Storage Co.	922,361	866,754	55,607	412,729	94.0	13.47
National Ice and Cold Storage Company of California	272,974	229,154	43,820	427,887 *	84.0	10.24 *
National Storage Company	509,404	454,799	54,605	743,703	89.3	7.35
Ontario Ice & Cold Storage Company	74,426	56,880	17,546	38,984	76.0	45.0
Pacific Cold Storage, Inc.	353,251	286,027	67,224	870,849	81.0	7.72
Santa Monica Cold Storage Company	33,965	33,284	681	7,032	98.0	9.7
Terminal Refrigerating Company	1,188,388	1,122,509	65,879	521,618	94.4	12.63
Triangle Cold Storage Company	121,620	119,721	1,899	62,139	98.0	3.05
Union Ice and Storage Company	648,178	614,422	33,756	1,114,556	94.8	3.03
U. S. Growers Cold Storage, Inc.	330,193	325,946	4,247	652,753	98.7	.65
<b>TOTAL, ALL WAREHOUSES</b>	<b>\$6,043,392</b>	<b>\$5,472,590</b>	<b>\$ 570,802</b>	<b>\$6,932,951 *</b>	<b>90.6</b>	<b>8.23 *</b>

\* Corrected Figure

The figures which the agent presented to show applicants' operating results under the sought rates were developed on the basis of the 1957 operations. To applicants' 1957 operating expenses, adjusted as indicated, were added amounts totaling \$221,421. These amounts were represented as additional expenses which have become applicable by reason of cost increases since 1957. To the revenue figures for 1957 were added amounts totaling \$431,819. Of this total the amount of \$382,127 is the additional revenue which the agent estimated would be realized under the increased rates which applicants seek herein. The balance of \$49,692 represents estimated annual revenues from a car-unloading charge which applicants established during the early part of 1958. The estimate of additional revenues from the proposed rates was developed by application of said rates to the various services which applicants performed during assertedly representative months during 1957. Comparison of the resulting revenue calculations with the revenues actually received provided the basis upon which the total estimate of \$382,127 was derived. Testimony to support the agent's estimates was submitted by various officers and employes of applicant companies. In general these witnesses described their participation in the calculations and stated that the months' operations upon which the estimates were projected were, in fact, months which are representative of their normal operations. Also, several of the witnesses reported on the results of studies which they had made of the costs of providing services identified as "handling." In Table 2, below, are set forth the estimates of the tariff agent of applicants' operating results under the sought rates.

Table No. 2

ESTIMATED FINANCIAL RESULTS OF OPERATIONS UNDER PROPOSED RATES

BASED ON 1957 OPERATING RESULTS, ADJUSTED

	<u>Gross Operating Revenues</u>	<u>Expenses</u>	<u>Net Operating Revenues</u>	<u>Rate Base</u>	<u>Operating Ratio</u>	<u>Rate of Return</u>
Burbank Refrigerating Company	\$ 328,595	\$ 282,064	\$ 46,531	\$ 488,353	86.0	9.3
California Ice and Cold Storage Company	564,512	496,695	67,817	957,945	88.0	7.8
Crystal Cold Storage Warehouse	22,406	17,518	4,889	40,883	78.0	11.94
Federal Ice & Cold Storage Company	726,820	631,072	95,749	554,746	86.8	17.25
Imperial Ice Company	9,553	6,764	2,789	50,966	71.0	5.47
Los Angeles Cold Storage Co.	1,030,024	937,476	92,548	424,185	91.0	21.8
National Ice and Cold Storage Company of California	287,810	236,450	51,360	429,103	82.1	11.97
National Storage Company	545,615	482,282	63,333	748,117	88.4	7.5
Ontario Ice & Cold Storage Company	79,070	59,384	19,686	39,735	75.0	49.5
Pacific Cold Storage, Inc.	373,486	305,093	68,392	874,027	81.7	7.82
Santa Monica Cold Storage Company	36,071	33,992	2,079	7,150	94.0	29.0
Terminal Refrigerating Company	1,296,954	1,197,082	99,872	534,047	92.3	18.7
Triangle Cold Storage Company	127,093	123,294	3,799	62,735	97.0	6.05
Union Ice and Storage Company	692,270	647,616	44,654	1,120,088	93.6	4.0
U. S. Growers Cold Storage, Inc.	354,931	343,774	11,156	658,724	96.9	1.7
<b>TOTAL, ALL WAREHOUSES</b>	<b>\$6,475,210</b>	<b>\$5,800,556</b>	<b>\$ 674,654</b>	<b>\$6,990,537</b>	<b>89.6</b>	<b>9.65</b>



With reference to the net revenues which his estimates indicated would be realized under the sought rates, the tariff agent urged that the reasonableness thereof be evaluated in light of particular risks which are inherent in the conduct of cold storage warehousing operations. By way of comparison with other public utility operations, he said that such companies as telephone companies, water companies, and electric power companies enjoy what amounts to a natural monopoly in their field; that in contrast public utility cold storage must cope with the competition of public cold storage warehousemen in other areas (including other states), with competition of contract warehousemen, and with competition of proprietary cold storage warehousing operations; that from a revenue standpoint the revenues of telephone, water and electric power companies are not subject to fluctuations to the same degree as revenues of cold storage warehousemen, whose source of business is closely allied to agriculture and the vagaries of weather; and that as a consequence of their more stable position telephone and similar utilities are able to attract capital as needed more easily than can cold storage warehousemen. All of these and related factors when taken together, the tariff agent asserted, justify a substantially higher rate of earnings for public utility cold storage warehousemen than the 6 to 7 percent ordinarily approved as reasonable for the other compared utilities.

No one appeared in opposition to authorization of the sought increases. A representative of the Commission's staff urged, however, that the increases and other tariff changes be treated as

interim adjustments. He said that staff members have been making studies of the operations with the view of submitting evidence bearing on applicants' asserted need for higher rates, but that such studies have not been completed, and that, as a consequence, the staff was not then able to take a position with respect to the specific proposals. The staff representative suggested that the proceeding be held open to permit the receipt of the results of the staff studies when completed.

Applicants, through their counsel, urged that the sought increases be authorized as expeditiously as possible in order to provide revenues needed for the maintenance of their operations. Otherwise, they concurred in the staff's suggestion that the proceeding be held open for the receipt of further evidence bearing on their proposals and on such other tariff adjustments as may appear warranted at the time. They stated their willingness, moreover, to cooperate fully in the development of the staff's studies. In addition, they said in effect that a continuation of the proceeding for the receipt of further evidence, as suggested, would conform to a program in which they are engaged to modernize their rate structure. They stated that they are, and for some time have been, conducting studies for this purpose, but that these studies have not yet been sufficiently completed nor have preliminary results thereof been sufficiently tested to permit a determination of all of the adjustments that ultimately may be sought. Both the representative of the Commission's staff and counsel for applicants indicated that the respective studies would not be ready for presentation before several months' time.

Applicants' showing of revenues and expenses for 1957 and their showing of the additional expenses which have since become applicable indicate that the present combined earnings for the 15 warehousemen involved are as represented by an operating ratio and a rate of return of about 93 percent and 6 percent, respectively. The showing does not necessarily constitute an accurate portrayal of applicants' earning position from a rate standpoint, inasmuch as it reflects a development of certain expenses according to income tax standards. Nevertheless, for the interim purposes of this phase of the proceeding, the showing may be accepted as a reasonable approximation of applicants' earnings according to rate standards also. With respect to the level of such earnings under present rates, it appears that applicants justifiably contend that the nature of the services which they provide warrant higher earnings from certain of their operations.

Although it is concluded that applicants' showing of need for additional revenues justifies increases in rates, it appears that the sought increases have not been justified in full and that certain aspects thereof should be further considered by applicants in their studies in progress. In this connection it should be noted that the earnings which applicants seek by their proposals approach what on this record appears to be the maximum limits of reasonableness. In other words, applicants would impose on their handling and related

services virtually the entire burden of establishing their earnings at a reasonable level. However, it appears that during the past decade or more applicants have experienced cost increases which should be assigned in whole or in part to their storage services. Several of applicants' witnesses alleged in effect that such cost increases have been offset by increased operating efficiencies in the storage aspects of their operations. Such allegations were not supported by the results of any specific studies on the point involved. In the absence of a more substantial showing in this respect it will not be presumed that a reasonable and nondiscriminatory revision of applicants' rate structure to conform to present conditions may be accomplished solely by increases in the handling and related rates.

A further limiting factor upon the rate increases which may be authorized involves considerations of reasonableness and discrimination. In this respect it should be pointed out that applicants' showing of revenue needs of itself does little to establish the propriety of the various proposals individually. The selection and determination of the rate increases that are herein proposed was largely a result of judgment on the part of a committee of applicant warehousemen. Inasmuch as this is the first general rate adjustment that the warehousemen have sought over a long period of time, substantial weight should be given to their evaluation of what rate increases may be effected within the framework of general acceptance thereof by their patrons. Even within a range of considerable latitude in this regard, however, it appears that certain features of the adjustments should not be authorized without further supporting evidence thereon. For example, applicants propose no increase in

handling rates in connection with deciduous fruits, berries and vegetables, in boxes, cartons or crates, received frozen in quantities of 46,000 pounds or more and shipped in quantities of 20,000 pounds or more. For various other commodities of the same or greater densities, however, material increases in rates are proposed with no exceptions for the volume movements. In explanation of the exception that would be provided for deciduous fruits, berries and vegetables, it was said that the receipt and shipment of goods in the quantities stated permit the attainment of substantial economies. Since the evidence indicates that the economies stem from the volume of the lots, rather than from the type of commodities, it appears that the handling of other commodities in the same volume would be subject to the same economies. Accordingly, it is concluded that in the absence of more specific and detailed evidence on this subject increases in handling rates should not be authorized in this interim phase of this proceeding for any commodity when received and shipped in the quantities indicated.<sup>4</sup>

Another of applicants' proposals which is related to the size of the lots in storage and which should not be authorized on this record deals with sought increases in minimum charges. Applicant's present and proposed minimum charges per storage lot are as follows:

	<u>Present</u>	<u>Proposed</u>
First month	\$ 1.50	\$ 2.00
Per subsequent month	1.00	1.50

<sup>4</sup> In their studies, the results of which are to be submitted at the further hearings in this proceeding, applicants should give consideration to reduction of the weight basis for their exceptions to 40,000 pounds. The present basis of 46,000 pounds assertedly is a truckload. However, under prevailing transportation rates quantities of 40,000 pounds or more are deemed as constituting a truckload.

As a minimum charge per month per account, applicants now assess a charge of \$3.00. They seek to increase this charge to \$5.00. As grounds for the increases, applicants' tariff agent said that the increases are needed to meet increases in labor costs. Also, he said that the proposed charges are somewhat in the nature of penalty provisions in order to discourage the retention of small lots in storage. The storage of such lots, he declared, reduces the operating efficiency of the warehousemen; moreover, the lots themselves are difficult to maintain without loss. The record does not disclose to what extent the sought increases in minimum charges are responsive to increases in costs and to what extent they reflect penalty provisions. As penalty provisions, however, it does not appear that they should be authorized. Storers of small storage lots, as well as those of large storage lots, are entitled to be assessed reasonable and non-discriminatory rates and charges. No distinction is made in the statutory provisions which govern applicants' operations in this respect.<sup>5</sup>

For the delivery from storage of quantities of less than 1,000 pounds, applicants at present assess a surcharge of 25 cents in addition to other of their applicable rates and charges. This surcharge is in the nature of a minimum charge to provide revenues more in proportion to the costs of service when the deliveries are of such weight that charges thereon, computed on the weights of the deliveries, would be very small. Applicants propose to increase the

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<sup>5</sup> "All charges demanded or received by any public utility ... shall be just and reasonable."

Section 451, Public Utilities Code.

"No public utility shall establish or maintain any unreasonable difference as to rates, ..."

Section 453, Public Utilities Code.

surcharge to 35 cents and to increase the minimum weight to which it applies to 1,500 pounds. The quantity of 1,500 pounds assertedly is the average weight of a pallet load. Cost figures which were presented by several of applicants' witnesses pertaining to the delivery of small lots were prepared on different bases and cover a rather wide range. Generally, they are persuasive that an increase in the surcharge is justified. It does not appear, however, that an increase of 500 pounds in the weight that would be subject to the surcharge should be authorized. The increases (exclusive of the increase in surcharge) which applicants would effect in their handling rates would result in a substantial increase in charges over those which applicants now assess for the handling of lots of 1,000 pounds or more. As indicated above, the evidence which was presented concerning the costs of handling small lots was rather meager. From such data as is available, it does not appear that under the rates hereinafter approved, the assessing of the sought surcharge for quantities of more than 1,000 pounds but less than 1,500 pounds is warranted by the costs of the services involved. This aspect of the proposals should be denied.

With the publication of tariff amendments to give effect to the increased rates and charges authorized by the order which follows, applicants will be expected to make such other changes in their tariff rules as necessary to make said rules conform to the revised rate provisions. For example, under the order herein, applicants are authorized to divide their present rate scales according to the storage and handling services covered thereby and to maintain, for the future, separate scales for the two types of services. Where,

under the terminology of the present tariff rules, reference is made to applicants' rates in their current form, the rules should be revised so that their applicability is unequivocally stated in relation to the particular rate scales with which they deal. Examples of rules that should be so revised are Rules 5(c) and 5(g) in applicants' Cold Storage Warehouse Tariff No. 12, Cal. P.U.C. No. 87 (L. A. Bailey series) dealing with the applicability of so-called "break-back" provisions to certain rates and under what conditions and circumstances separate lots may be consolidated and considered as a single storage lot.<sup>6</sup>

In the modernization of their tariff applicants should also give consideration to amendments to eliminate uncertainties and inequalities of present provisions. For example, in applicants' Cold Storage Warehouse Tariff No. 2-E, Cal. P.U.C. No. 148, rates are provided for the warehousing of fruit in variously designated but undefined containers, certain of such containers to be "of sufficient stability to permit the warehouseman to follow his normal piling practices." Obviously, where the charges to be assessed vary with the containers used and where they depend upon whether the containers permit the warehouseman to follow normal (but undefined) piling practices, the provisions are not of the definiteness required in the publication of tariffs of public utility warehousemen.<sup>7</sup> Other provisions that

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<sup>6</sup> In general, "break-back" provisions state that where charges computed at the rate applicable to the weight of the lot or shipment actually handled or stored exceed charges based on a rate for like services for a greater quantity of the same commodity, the latter charges shall be assessed.

<sup>7</sup> The Commission's General Order No. 61, which governs the construction and filing of tariffs by warehousemen states that "all rates must be explicitly stated" and that the rules and regulations must be set forth "in clear and explicit terms" (Rule 2).



likewise appear in particular need of restatement for the purposes of clarity and definiteness deal with the warehousemen's liability and slack packages (Rules Nos. 70 and 125, Tariff No. 12, supra).

Another rule which is in apparent need of revision deals with the accumulation of storage lots (Rule 5(g), Tariff No. 12). The rule states that "the accumulation shall be permitted only when the warehousemen may conserve space and reduce clerical detail." However, it is evident from the testimony of the warehousemen that their practices and allowances under this rule vary substantially. The warehousemen should either adapt their practices to the rule or should modify the rule to conform to their practices.<sup>8</sup>

In the matter of the payment of charges for services rendered, applicants' tariff provisions (Rule 105, Tariff No. 12) state that "all storage charges are due and payable monthly, on demand." The record shows a substantial variance among the warehousemen in billing practices, some billing for storage and other services immediately upon receipt of goods in storage and others billing at the end of the month's storage period. With reference to the collection of charges after billing, the evidence shows outstanding charges as much as six months past due. In the light of this background applicants undertook to show a need in their rate base for an allowance for working cash equivalent to two months' operating

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<sup>8</sup> In applying the present accumulation rule, the warehousemen apparently allow reductions in charges which are not related to such savings in expense as the warehousemen may effect through operation of the rule according to its terms. Several lots received at different times are charged at the handling rate applicable to the total quantity received even though the handling costs which are actually incurred are higher. Because of this and similar aspects of the rule, the propriety thereof should be considered by the warehousemen both from a standpoint of reasonableness and of discrimination. In addition consideration should be given to making the applicability of the rule more definite, since under the present rule the accumulation privilege applies only at the option of the warehouseman.

expenses exclusive of depreciation. A reasonable allowance for working cash should be made. However, applicants should not expect that such allowance include provision for moneys tied up in accounts which are long overdue as a result of indefinite collection practices. The inclusion of such an allowance would have the effect of imposing a penalty in the form of higher charges on those of applicants' patrons who pay their warehousing charges promptly. In the process of modernizing their tariff applicants should give consideration to their billing and collection practices and to establishing such rules in this regard as are appropriate and consistent with present circumstances.

The consideration of applicants' proposals in this phase of this proceeding has necessarily been in the light in which the proposals were presented, namely, as interim adjustments pending the completion of studies designed to bring applicants' tariffs into full conformity with present conditions. Upon this basis establishment of the increased rates and other changes in applicants' tariff provisions which are authorized in the following order are hereby found justified. The operating results under said increased rates, which will be somewhat less than those shown in Table No. 2 hereinabove because of modifications in the proposals, are hereby found to be reasonable for the purposes of this phase of the proceeding. Because of the nature of this phase of the proceeding and of the rate increases and other tariff changes which are hereinafter authorized, jurisdiction over such increases and changes will be retained. They will be made subject to further consideration and modification on the record to be subsequently developed. In the development of data to support all of the tariff adjustments which they will seek in this matter, applicants should undertake to develop figures to show revenues under the authorized rates and costs of performing the services involved.

I N T E R I M   O R D E R

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

IT IS ORDERED that:

1. Except as is otherwise provided by this order, and subject to the conditions herein stated, the applicants in this proceeding be, and they hereby are, authorized to establish, on not less than five days' notice to the Commission and to the public, increased rates and charges and revised tariff rules and regulations as described in and as set forth in Exhibit "A" to the above-numbered application, as amended.

Exceptions: The authority granted pursuant to the terms of this paragraph may not be exercised

- a. To increase from 1,000 pounds to 1,500 pounds the weight of shipments for which a Lot Delivery Charge applies under provisions of applicants' tariff rules as currently set forth in Rule 43 of California Warehouse Tariff Bureau Cold Storage Warehouse Tariff No. 12, Cal. P.U.C. No. 87 (L.A. Bailey series) and in notations at the bottom of all rate pages of Cold Storage Warehouse Tariff No. 2-E, Cal. P.U.C. No. 148, of Jack L. Dawson, Agent;
  - b. To effect increases in applicants' minimum charges as currently set forth in Rule 85 of said California Warehouse Tariff Bureau Cold Storage Warehouse Tariff No. 12; and
  - c. To effect increases in applicants' rates for the handling of storage lots received in quantities of 46,000 pounds or more and delivered in quantities of 20,000 pounds or more.
2. Union Ice and Storage Company, be, and it hereby is, authorized to cancel, on not less than five days' notice to the

Commission and to the public, its Warehouse Tariff No. 6-D, Cal. P.U.C. No. 14, applicable to public utility cold storage warehousing services which it performs at Wilmington and at San Pedro and concurrently to adopt (by participation therein) California Warehouse Tariff Bureau Quick Freeze Cold Storage Warehouse Tariff No. 1-A, Cal. P.U.C. No. 154, and Cold Storage Warehouse Tariff No. 2-E, Cal. P.U.C. No. 148, Jack L. Dawson, Agent, as the governing tariff for said warehousing services.

3. The authority herein granted is subject to the express condition that applicants 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 this order will be construed as consent to this condition.

4. Jurisdiction over the rates, charges, rules and regulations be, and it hereby is, retained, and said rates, charges, rules, and regulations be, and they hereby are, made subject to review and modification in the light of the further record to be made in this proceeding.

5. The authority granted herein shall expire unless exercised within ninety 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 24<sup>th</sup> day of March, 1959.

E. L. Fox  
President  
W. H. ...  
Theodore ...  
Ernest ...  
Commissioners