

Decision No. 59466

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the GROWERS  
REFRIGERATION COMPANY for the  
authority to increase rates  
and charges for cold storage  
and incidental handling of  
merchandise.

}  
} Application No. 41708  
(As Amended)

OPINION AND ORDER

Growers Refrigeration Company is a corporation engaged in public utility cold storage warehousing operations in San Francisco, principally for the storage of fresh fruits and vegetables. By this application, as amended, it seeks authority, under Section 454 of the Public Utilities Code, to increase certain rates and charges.

The application alleges that the proposed rates are in line with, and in no instance exceed, the rates being charged by competitive warehouses in San Francisco and Alameda Counties. It alleges that approval of these rates will tend to establish a uniform warehouse rate structure in the Bay Area.

Applicant points out that the competing warehouses have sought and obtained approval of several rate increases in recent years. Growers Refrigeration Company has not increased its rates since 1929. According to the application, the warehouse operations are being conducted at a loss.

Applicant states that the proposed rate increases are insufficient to place its business on a compensatory basis but are estimated to be sufficient to enable it to meet out-of-pocket expenses and part of the depreciation costs. Applicant alleges that the proposed increases are vitally necessary so that it may receive sufficient income to stay in business. The following is applicant's statement of its warehouse operating results, based upon the year ending December 31, 1958:

|                                       | <u>Under Current<br/>Rates</u> | <u>Under Pro-<br/>posed Rates</u> |
|---------------------------------------|--------------------------------|-----------------------------------|
| Operating Revenues                    | <u>\$17,762.81</u>             | <u>\$24,958.72</u>                |
| Operating Revenue Deductions          |                                |                                   |
| Operating Expenses                    | 25,392.77                      | 25,392.77                         |
| Uncollectable Accounts                | 50.92                          | 50.92                             |
| Taxes Assignable to<br>Warehousing    | <u>1,228.31</u>                | <u>1,228.31</u>                   |
| TOTAL OPERATING REVENUE<br>DEDUCTIONS | <u>\$26,672.00</u>             | <u>\$26,672.00</u>                |
| NET OPERATING LOSS                    | <u>\$ 8,909.19</u>             | <u>\$ 1,713.28</u>                |

The verified application shows that, on October 23, 1959, applicant supplied each of its storers with a copy of the proposed tariff together with an explanation of the contemplated rate adjustments and the alleged necessity therefor. The application contains an affidavit that no objection from any of the customers has been received by applicant. No objection to the granting of the application has been received by the Commission. The Transportation Division has reviewed the application and has recommended that it be granted.

Upon consideration of all the facts and circumstances, the Commission is of the opinion and finds that the increased rates and charges proposed in this application, as amended, are justified. A public hearing is not necessary. The application will be granted.

Therefore, good cause appearing,

IT IS ORDERED:

(1) That applicant is authorized to establish, on not less than five days' notice to the Commission and to the public, the rates, charges and rules proposed in the above-entitled application, as amended.

(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 5<sup>th</sup> day of

January, 1960

Ernest All Page  
President.  
W. C. [unclear]  
[unclear]  
[unclear]  
Theodore [unclear]  
Commissioners