

62427

Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of the YUBA CITY REFRIGERATING)
COMPANY for increases in rates)
for labor furnished customers,)
for permission to establish) Application No. 43612
certain rules and rates to cover)
special services and for increases)
in minimum rates charged for services))
at Yuba City, California.)

OPINION AND ORDER

Applicant is a California corporation engaged in public utility warehouse operations at Yuba City. By this application, filed July 19, 1961, authority is sought to revise certain charges and tariff rules relating principally to services involving labor. Both increases and reductions would result. Applicant does not propose any changes in basic storage rates.

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The proposed adjustments are as follows:

1. Increase charge for labor furnished for special services from \$2.00 to \$3.00 per man hour, with comparable adjustments in minimum charges and overtime rates.
2. Increase charge for deliveries from warehouse on lots of less than 1,000 pounds from 20 cents to 50 cents per delivery.
3. Increase minimum storage charge from 50 cents for the first six months and 35 cents per month thereafter to \$2.00 and \$1.50, respectively.
4. Increase charges for weighing from 50 cents to \$1.00 per weight certificate issued when gross pay load is 10,000 pounds or less, and from \$1.00 to \$2.00 when load is over 10,000 pounds.
5. Change provisions covering hours of service to provide that during the harvest season of June 15 to September 15 regular hours, without penalty, will be 8:00 A.M. to 12:00 Noon, 1:00 P.M. to 6:00 P.M. and 7:00 P.M. to 8:00 P.M. daily.
6. Establish as a new rule a charge of \$1.00 per gross ton for special handling of packed fruit from a packing line.
7. Establish as a new rule a charge of 25 cents per gross ton of product received or delivered on applicant's pallets when such pallets are provided for the customer's use away from applicant's premises.

According to the application, the current rates do not cover costs of the labor. Applicant states that its average warehouse labor cost per man hour, including payroll taxes, insurance and welfare benefits but without allocation for supervision or profit, was \$2.60 per hour for straight time for the year ending December 31, 1961. Applicant's cost for labor furnished is allegedly more than 60 cents per man hour greater than its published rates. Applicant alleges that the increased charges for deliveries and weighing are necessary because current charges do not cover costs of labor, refrigeration and office supplies.

Applicant states that it proposes extra hours of service without penalty during the harvest season as it is unable to handle the volume of traffic in less than the ten hours provided in the proposed rule.

Concerning the proposed rule establishing a charge of \$1.00 per gross ton in lieu of the hourly labor charge for special handling of packed fruit from a packing line, applicant asserts that because of the intermittent nature of the service provided it is difficult to keep a record of the exact hours for which a charge is to be made and that time studies of various check periods indicate that the charge of \$1.00 per gross ton is reasonable and equitable.

The charge for the use of pallets of 25 cents per gross ton of product handled, applicant states, is proposed in order to recover the cost of performing this service, and is a charge which heretofore has not been assessed. Applicant further states that the cost of maintenance, storage, handling, taxes, depreciation and insurance on its pallets averages 50 cents per pallet per year;

that the wear and tear on pallets rented to customers is calculated at 40% of normal use; and that the charge of 25 cents per gross ton will yield about 25 cents per pallet per rental.

A cost study attached to the application, showing actual and estimated revenue under the proposed adjustments for the year ending April 30, 1961, indicates that the net earnings would have been increased under the proposed rates from \$33,909 to \$35,273 or by approximately four percent.

Applicant avers that the proposed adjustments will bring the rates and rules more closely into alignment with competitive rates and the actual cost of performing the service; that they will effect a more equitable distribution of cost between its customers; and that an anticipated increase in labor costs can be absorbed within the proposed increases.

The application shows that on or about June 30 applicant notified all of its customers of the proposed increases and changes. The notification requested the storers to advise either applicant or the Commission whether or not they approved the proposed adjustments. Twelve of applicant's storers have indicated concurrence in the proposed adjustments. No objections to the application have been received.

Upon consideration of all of the facts and circumstances set forth in the application, the Commission is of the opinion and finds that the proposed adjustments, including increased rates and charges, are justified. A public hearing is not necessary. The application will be granted. Applicant will be authorized to publish the proposed rate adjustments involved herein on ten days' notice.

Good cause appearing,

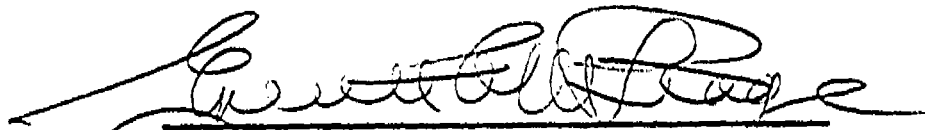
IT IS ORDERED that:

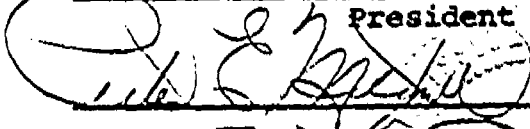
(1) Yuba City Refrigerating Company, a corporation, is hereby authorized to establish on not less than ten days' notice to the Commission and to the public, the rates and charges proposed in the above-entitled application.


(2) The authority herein granted shall expire unless exercised within 120 days after the effective date of this order.

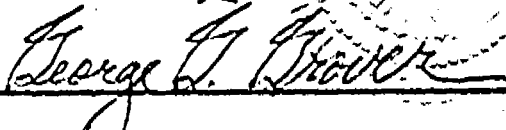
This order shall become effective twenty days after the date hereof.


Dated at San Francisco, California, this 15th day of August, 1961.



President








Commissioners