

Decision No. 74439

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CONSOLIDATED CALIFORNIA TERMINALS,) Application No. 50228
INC., and CRISTINA WAREHOUSE CO.,) (Filed May 9, 1968)
INC., for an increase in rates.)

OPINION AND ORDER

Consolidated California Terminals, Inc. (Consolidated), and Cristina Warehouse Co., Inc. (Cristina), operate as public utility warehousemen for the storage of merchandise in the City of San Jose. By this application, applicants seek authority to increase, on five days' notice, their special labor rates to \$7.00 and \$10.50 per man hour for straight time and overtime, respectively, and to increase¹ all other rates and charges by approximately ten percent.

According to the application the special labor rates were last increased on November 1, 1966, and the other rates and charges have not been increased since they were established on August 31, 1959, for Cristina and September 5, 1960, for Consolidated.

Applicants state that their warehouse operating costs have increased substantially by reason of higher wages for both plant and clerical employees and higher fringe benefits, payroll expenses and costs of materials, services and supplies. Applicants allege that the revenues, which they derive from the current rates and charges,

¹ Applicants' rates and charges are published in California Warehouse Tariff Bureau Warehouse Tariff No. 35, Cal.P.U.C. No. 134, of Jack L. Dawson, Agent, hereinafter referred to as Tariff No. 35. Consolidated's and Cristina's current special labor rates are \$4.50 and \$5.10 per man hour for straight time and \$6.75 and \$7.65 per man hour for overtime, respectively.

are insufficient and that the increases in rates proposed herein are necessary to enable them to continue in business, to realize a reasonable profit and to render adequate and efficient warehouse services which are vitally required by the general public.

Applicants declare that their average labor cost, excluding supervision and overhead, is currently \$5.123 per man per hour and that, when this amount is expanded for supervision and overhead, the cost would exceed \$8.00 per man per hour. Applicants aver that, while their proposed special labor charge of \$7.00 per man per hour on a straight-time basis is less than their full cost of rendering special labor services, said charge will cover the cost of supervision and provide a contribution toward overhead expenses.

Revenue and expense data submitted by applicants indicate that the results of their warehouse operations under the proposed rates and revised expenses would be as follows:

	<u>Consolidated California Terminals, Inc.</u>	<u>Cristina Warehouse Co., Inc.</u>	<u>Combined Total</u>
Proposed Revenues	\$ 20,482	\$ 310,502	\$ 330,984
Revised Expenses	<u>28,861</u>	<u>287,627</u>	<u>316,488</u>
Profit (or Loss)	(\$ 8,379)	\$ 22,875	\$ 14,496
Less Income Taxes	<u>None</u>	<u>6,281</u>	<u>6,281</u>
Net Profit (or Loss)	(\$ 8,379)	\$ 16,594	\$ 8,215
Operating Ratio	140.9%	94.7%	97.5%

The application shows that each applicant has informed its storers by letter dated May 6, 1968, of its rate proposal.

The application was listed on the Commission's Daily Calendar of May 10, 1968. No objection to the granting of the application has been received.

In the circumstances, it appears, and the Commission finds, that increases resulting from the publication of rates and charges for warehouse storage, handling and other services, as proposed in the application, are justified to the extent indicated in the ensuing order. A public hearing is not necessary. The Commission concludes that the application should be granted.

Pursuant to their request, applicants will be authorized to publish the increased rates and charges on not less than five days' notice to the Commission and to the public. In authorizing the increases herein proposed, the Commission does not make a finding of fact as to the reasonableness of any particular rate or charge.

IT IS ORDERED that:

1. Consolidated California Terminals, Inc., and Cristina Warehouse Co., Inc., are hereby authorized to establish increased rates and charges as specifically proposed in Application No. 50228.

2. In publishing the increased rates granted herein, applicants are authorized to dispose of fractions in the following manner:

Where resulting rate or charge is less than 10 cents, dispose of fractions to the nearest mill, dropping fractions of less than $\frac{1}{2}$ mill and increasing fractions of $\frac{1}{2}$ mill or over to the next whole mill.

Where resulting rate or charge is in excess of 10 cents, dispose of fractions to the nearest cent, dropping fractions of less than $\frac{1}{2}$ cent and increasing fractions of $\frac{1}{2}$ cent or greater to the next whole cent.

3. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

4. The authority granted herein 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 as to the reasonableness of any particular rate or charge, and that the filing of rates and charges pursuant to the authority granted herein will be construed as consent to this condition.

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 23rd day of July, 1968.

William Symons, Jr.
President
John C. Kitchin
William L. Bennett
Fred P. Morrissey
Commissioners