

**ORIGINAL**Decision No. 74466

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 HOPPER MACHINE WORKS, INC., d.b.a.  
 Bakersfield Ice & Cold Storage Company,  
 and KERN ICE & COLD STORAGE CO., for an  
 increase in Rates.

Application No. 50008  
 (Filed February 9, 1968;  
 Amendment filed  
 June 20, 1968)

O P I N I O N

By this application, as amended, Hopper Machine Works, Inc., dba Bakersfield Ice & Cold Storage Company (Hopper), and Kern Ice & Cold Storage Co. (Kern) request authority to increase their rates for the storage and handling of potatoes and onions.

Each applicant is engaged, among other things, in the business of a public utility warehouseman at Bakersfield for the storage of commodities requiring refrigeration.

The application states that the season rates for potatoes and onions have not been adjusted for a period of ten years. The application also states that the basic first and second month storage rates of 25 cents and 17-1/2 cents per hundred pounds for lots of less than 20,000 pounds and 20 cents and 12-1/2 cents per hundred pounds for lots of 20,000 pounds or more have been in effect without an increase in the Bakersfield area for a period of over forty years. These rates are considered by applicants to be the most noncompensatory rates in their tariff at the present time considering the service rendered.

The proposed rates are 30 cents per hundred pounds for the first month and 20 cents per hundred pounds per month thereafter for lots of less than 10,000 pounds and 25 cents per hundred pounds for the first month and 15 cents per hundred pounds per month thereafter for lots of 10,000 pounds or more.

A. 50008 lm

Financial statements attached to the application and the amendment to the application disclose that Hopper's profit, before taxes, for the year ending May 31, 1967 was \$247.21 and its operating ratio was 99.9 percent. Had the increased rates proposed in this application been in effect Hopper's operating ratio would have been 89.2 percent. With respect to Kern the statements disclose that Kern's profit before taxes for the year ending October 31, 1967 was \$11,724.00; \$9,814.00 was earned during the first half of the year and only \$1,910.00 was earned for the last half of the year. Kern had a net loss of \$19,574.00 for the year ending April 30, 1968. Had the increased rates proposed in the application been in effect the loss for the year ending April 30, 1968 would have been \$6,045.

Applicants allege that, while they are both primarily potato storage warehousemen, they do store other commodities for which they feel their current storage and handling rates are compensatory.

Applicants have informed their storers of their intention to increase the rates. The application and amendment thereto were listed on the Commission's Daily Calendar of February 13 and June 1, 1968. No objections have been received.

After consideration the Commission finds that increases resulting from the publication of rates as proposed in the application are justified. A public hearing is not necessary. The Commission concludes that the application, as amended, should be granted.

O R D E R

IT IS ORDERED that:

1. Hopper Machine Works, Inc., dba Bakersfield Ice & Cold Storage Company, and Kern Ice & Cold Storage Co. are authorized to establish the increased rates proposed in Application No. 50008. 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 ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.

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

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 30th day of JULY, 1968.

*William J. Quinn Jr.*  
President  
*William C. ...*

*John P. Morrissey*  
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.