

Decision No. 74629**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 YUBA CITY REFRIGERATING COMPANY for)
 an order authorizing a revision in)
 rules covering and rates charged for)
 commodities stored without refriger-)
 ation. }

Application No. 50390
 (Filed July 16, 1968)

O P I N I O N

Yuba City Refrigerating Company, a corporation, operates as a public utility warehouseman in Yuba City. Applicant provides both unrefrigerated and refrigerated warehouse storage space under separate tariffs. In this application, the company seeks to amend its unrefrigerated storage tariff in the following respects:

- (a) to reduce the portion of its warehouse area allocated to unrefrigerated storage,
- (b) to establish a rate for the use of an entire room, without the use of warehouse or clerical labor,
- (c) to increase its accessorial labor charges to the levels maintained in connection with refrigerated storage space, and
- (d) to establish a general rate for unrefrigerated commodities.

Applicant's annual report for the year 1967, filed with the Commission, indicates that 74,126 square feet of warehouse floor space was dedicated to refrigerated storage; and 4,950 square feet of warehouse floor space was dedicated to the storage of non-refrigerated commodities. The application seeks to amend Tariff Cal. P.U.C. 9, (Rules 2 and 10) to provide that applicant's warehouse facilities dedicated to unrefrigerated space on a year-round basis

will be reduced to 1,500 square feet, from the existing 5,000 square feet. The 3,500 square feet removed from dedication to unrefrigerated storage will be added to its dedicated refrigerated storage area. As reasons for this request, the application states that the demand for year-round storage of fertilizer has decreased,^{1/} while at the same time demand for summer storage of refrigerated commodities has increased. Applicant's customers appear to be primarily interested in dry storage during fall and winter months, which can be accommodated in the excess space made available when the summer cold storage season is ended. This proposal appears to provide a better utilization of applicant's warehouse space and the proposed tariff rule change should be authorized.

Applicant seeks to establish a rate for the use of an entire storage room, when the handling of the goods and maintenance of storage records will be performed by the warehouse customer. The rate proposed is five cents per square foot per month. Applicant has been requested by its cold storage customers to provide this additional service. The estimated additional revenue to accrue from this proposal is \$5,000 per year.

Applicant seeks to increase the accessorial and special labor charges set forth in its tariff covering unrefrigerated commodities to the level of the corresponding charges set forth in its tariff covering refrigerated commodities.^{2/}

Overtime penalty charges in Rule No. 80 are proposed to be increased from \$1.50 to \$2.00 per man per hour. Waiting or call charges would be increased from \$4.50 to \$6.00 per man per hour.

^{1/} Applicant's Tariff Cal. P.U.C. 9 names only season storage rates on inorganic fertilizers.

^{2/} Increase of labor charges in connection with refrigerated commodities were authorized by Decision No. 73967, dated April 9, 1968, in Application No. 49949.

Special service labor rates in Rule No. 100 are proposed to be increased from \$3.00 to \$4.00 per man per hour. Rates for overtime labor furnished after regular working hours would be increased from \$4.50 to \$6.00 per man per hour. Minimum charges on special service labor would be increased from \$1.00 to \$2.00 per man per hour. Minimum charges now applicable to fork lift equipment would be removed. Minimum charge of \$2.00 per man per hour would be instituted on overtime labor. Special or extra clerical charges would be discontinued. Present labor charges in connection with applicant's unrefrigerated operations have been in effect since 1961. In the interim period labor costs incurred by applicant have increased substantially. Applicant estimates that the annual increase in revenues from this proposal will be approximately \$1,000. It appears that applicant should be authorized to maintain uniform labor charges for all warehouse services. This would be accomplished by increasing its labor charges applicable in connection with its unrefrigerated storage to the levels maintained in connection with refrigerated storage.

Applicant also seeks to establish a monthly rate of 6½ cents per square foot for the storage of miscellaneous dry merchandise, subject to labor charges set forth in Items 80 and 100. The application states that customers of applicant have requested storage space for miscellaneous items which vary in weight, density, shape and size. Storage under weight rates is not feasible because of the aforementioned variations in the commodities to be stored. Annual revenue under this proposal is estimated to be \$500.

Attached to the application is a balance sheet as of April 30, 1968, and a profit and loss statement for the fiscal year ending April 30, 1968. Said financial data indicate that applicant's operations were profitable, as represented by an operating ratio of 79.37 percent.

The application shows that all warehouse customers of applicant were furnished with a full explanation of the proposals in the application on or about July 20, 1968. There are no protests.

The Commission finds that:

1. The proposals to establish rates for use of an entire storage room, and for lease of space on a square-foot basis, applicable to unrefrigerated storage of general commodities, constitute the offering of a new service by applicant. The rates for said services appear to be reasonable and should be authorized.

2. The proposal to reduce the amount of warehouse space dedicated to storage of unrefrigerated commodities and increase the amount of warehouse space dedicated to refrigerated storage on a year-round basis is reasonable and not adverse to the public interest.

3. The increases in rates resulting from the proposals to revise labor charges in Rules Nos. 80 and 100 of applicant's tariff Cal. P.U.C. 9 are justified.

4. A public hearing is not necessary.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Yuba City Refrigerating Company, a corporation, is authorized to establish the rates, rules and provisions proposed in Application No. 50390. 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 thirty days after the effective date hereof or not less than thirty 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 4th day of SEPTEMBER, 1968.

William Synnors Jr.
President
Robert E. Haskell
Stallman R. Beards
Augusta
Fred P. Monissey
Commissioners