

ORIGINAL

Decision No. 75860

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of AMERICAN WAREHOUSE CO., INC.
for Authority to Increase Warehouse
Rates.

Application No. 50912
(Filed February 26, 1969;
Amended April 30, 1969)

Martin J. Rosen, of Silver & Rosen, and Jack L. Dawson, Agent, of California Warehouse Tariff Bureau, for applicant.
Robert I. Anderson and Joseph C. Matson, for the Commission staff.

O P I N I O N

Applicant operates a public utility warehouse at Fresno. On February 26, 1969 applicant filed the instant application requesting a rate increase of approximately 15 percent. Specifically it requests that it be allowed to cancel its participation in California Warehouse Tariff No. 30, Cal. PUC No. 167 of Jack L. Dawson, Agent, and concurrent with said cancellation be named as a participant in California Warehouse Tariff Bureau Warehouse Tariff No. 39, Cal. PUC No. 202 of Jack L. Dawson, Agent. An amendment to the application was filed April 30, 1969 requesting interim authority be granted pending the final determination of the application.

Public hearing was held at Fresno on May 13, 1969 before Examiner O'Leary. The matter is now ready for decision.

The tariff publishing agent for applicant testified that applicant's present rates are set forth in California Warehouse Tariff No. 30, Cal. PUC No. 167 of Jack L. Dawson, Agent, which

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became effective October 1, 1957. Said tariff was participated in by most of the warehousemen in the Fresno area. At the present time applicant is the only participant in said tariff. The other participants have canceled their participation in said tariff and have become participants in California Warehouse Bureau Tariff No. 39, Cal. PUC No. 208 of Jack L. Dawson, Agent. The witness further testified that since 1957 applicant has experienced increased costs of labor, equipment and taxes. The requested increases with minor exceptions relate only to handling and accessorial charges and not to storage charges.

On April 1, 1969, applicant moved into a new building which is owned by an affiliate of applicant. The profit and loss statement attached to the application as Exhibit B discloses that applicant experienced a loss of \$9,025.00 for the year ended September 30, 1968. Exhibit 2 attached to the amendment to the application discloses a loss of \$5,570.63 for the 6-month period ended March 31, 1969. Certain adjustments to revenues and costs were made on Exhibit 2 attached to the amendment to reflect what the financial results would have been at the proposed rates under conditions which will prevail in the new facility for the six-month period ended March 31, 1969. The adjusted figures disclose that applicant would have had a profit before taxes of \$4,477.87 for said 6-month period and an annual rate of return of 1.92 percent before taxes.

The controller of Diversified Transport Systems (Diversified) testified that the applicant is a subsidiary of Diversified and that Diversified provides a complete bookkeeping, accounting, audit and payroll service for applicant. For this

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service applicant is assessed a management fee which prior to March 1, 1969 was computed as 7-1/2 percent of applicant's revenue. Since March 1, 1969 the fee has been computed at \$1,000 per month.

The president of applicant testified that the applicant is presently losing money and therefore the instant application was filed. He further testified that letters, copies of which are attached to the amendment to the application as Exhibits 1A and 1B, were sent to all of applicant's storers. No one protested the granting of the application.

Commission staff representatives from the Transportation and Finance and Accounts Divisions assisted in the development of the record.

Based upon the evidence adduced the Commission finds that:

1. Applicant's present rates have been in effect since 1957.
2. Since 1957 applicant's costs have increased.
3. The proposed increases are justified.

The Commission concludes that the application should be granted.

Applicant has requested that it be authorized to establish the sought rate adjustments effective on five days' notice. In view of the fact that applicant is presently operating at a loss and there is no opposition to the granting of the application, applicant's request will be granted and the order which follows will be made effective the date hereof.

O R D E R

IT IS ORDERED that:

1. American Warehouse Co., Inc. is authorized to establish the increased rates proposed in Application No. 50912. 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 hereof on not less than five days' notice to the Commission and to the public.

2. The authority herein granted is subject to the express condition that applicant will never urge before the 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 of the reasonableness of any particular rate or charge and that the filing of rates and charges pursuant to the authority herein granted will be construed as a consent to this condition.

3. 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 the date hereof.

Dated at San Francisco, California, this 1st day of JULY, 1969.

William Seymour, Jr.
President
Augusta
Jack P. Morrison
W. H. Brown
Frank
Commissioners