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**ORIGINAL**

Decision No. 78041

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of COMPASS TRADING CO., INC., a )  
corporation, for an order )  
authorizing an increase in public )  
utility warehouseman rates )  
specifying short notice pursuant )  
to Section 491 of the Public )  
Utilities Code of the State of )  
California. )

Application No. 52224  
(Filed October 2, 1970)

OPINION AND ORDER

By Decision No. 77108, dated April 21, 1970, in Application No. 51768, Compass Trading Co., Inc. (CTC) was authorized to purchase and acquire from Robertson Drayage Co., Inc., a certificate of public convenience and necessity to operate as a public utility warehouseman. Said certificate was for the operation of 7,800 square feet of public utility warehouse floor space at San Jose, California which was authorized to be transferred to Sunnyvale, California, by Decision No. 77108.<sup>1/</sup> The authority for CTC to purchase the certificate of Robertson Drayage Co., Inc., and to operate a utility warehouse facility at San Jose, California, was subject to CTC's adoption of the established tariff rates, rules and charges governing the former warehouse operations of applicant's predecessor.

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<sup>1/</sup> In Decision No. 77917, dated November 10, 1970, in Application No. 51768, the Commission issued its supplemental order authorizing Compass Trading Co., Inc. to retain the warehouse location at San Jose, California.

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The tariff provisions governing the utility warehouse operations of Robertson Drayage Co., Inc., at San Jose, California, were contained in California Warehouse Tariff Bureau Warehouse Tariff No. 35, Cal. P.U.C. No. 184, of Jack L. Dawson, Agent. Effective September 1, 1970, the participation of Robertson Drayage Co., Inc. in Warehouse Tariff No. 35 was canceled by the aforesaid tariff agent. In lieu of adopting the tariff rates, rules and charges of Robertson Drayage Co., Inc., the Compass Trading Co., Inc. now seeks authority to establish, in its own behalf, new and different increased tariff rates and charges to cover its recently acquired San Jose utility warehouse operations. It is explained that CTC's proposed tariff rates, rules and charges will be published in Public Warehouseman Tariff No. 1, Cal. P.U.C. No. 2 of Miller Traffic Service, Inc., Agent.

Applicant states that Warehouse Tariff No. 35, in which Robertson Drayage Co., Inc. was a participating warehouseman, has not been materially changed over a period of eleven years. By Decision No. 74439, dated July 23, 1968, in Application No. 50228, certain public utility warehousemen, alleged to be competitors of warehousemen participating in Warehouse Tariff No. 35, were authorized to increase all of their rates by 10 percent and to establish a special hourly labor charge of \$7.00 per man. The resulting increased rates and charges were published in California Warehouse Tariff Bureau Warehouse Tariff No. 55, Cal. P.U.C. No. 231 of Jack L. Dawson, Agent. In order to obtain the necessary revenue to render adequate and sufficient service under its recently acquired utility warehouse operations at San Jose, Compass Trading Co., Inc. now requests authority, in this application, to publish the following tariff provisions in lieu of adopting the tariff of applicant's predecessor:

1. Establish Compass Trading Co., Inc. as a participating warehouseman in Public Warehouseman Tariff No. 1, Cal. P.U.C. No. 2 of Miller Traffic Service, Inc., Agent.
2. Publish scale of general merchandise storage rates at the level presently contained in California Warehouse Tariff Bureau Warehouse Tariff No. 55, Cal. P.U.C. No. 231.
3. Establish specific commodity warehouse rates based upon those contained in Section V of Public Warehouseman Tariff No. 1, in lieu of the specific merchandise rates named in Warehouse Tariff No. 35.
4. Provide special hourly labor rates of \$8.50 per man for straight time and \$15.00 per man for overtime, subject to a minimum charge of \$2.50 and \$5.00, respectively.

In support of the sought relief, applicant directs attention to the fact that its predecessor's tariff rates and charges named in Warehouse Tariff No. 35 have remained generally unchanged since August 31, 1959; whereas applicant's competing warehousemen in the San Jose area in 1968 were authorized a 10 percent general increase in rates plus a special labor rate of \$7.00 per hour. Applicant further states that it is prepared to operate a modern competitive warehouse facility. In order to do so, CTC contends that increases in warehouse operating costs, which have occurred since the storage rates and charges of applicant's predecessor were established some eleven years ago, must be fully recognized. Such cost increases, applicant states, have been substantially in the form of higher wages, increased cost of materials and supplies and maintenance costs.

In estimating the cost of its San Jose warehouse operation, CTC states it will experience an average hourly cost for warehouse labor of \$4.50 per man, excluding supervision and overhead costs. Inclusion of the latter cost factors would assertedly result in an hourly cost of \$10.00 per man. It is noted that

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applicant in this proceeding is seeking a special labor rate for straight time of only \$8.50 per man hour, which is less than applicant's estimated full cost of rendering special warehouse services but which will presumably cover supervision and make a partial contribution toward CTC's overhead costs.

Applicant also expressed the opinion that the commodity groupings for the proposed special commodity storage rates are preferable to those provided in the special merchandise rates named in Warehouse Tariff No. 35. It is also explained that the sought commodity rates are for the volume storage of property and are hence lower than the proposed general merchandise storage rates.

Applicant contends that the sought increase in its proposed warehouse tariff provisions are justified and will not adversely affect competing warehousemen or storers in the San Jose area. The CTC requests that the relief sought herein be granted by ex parte order and authorized to become effective on five days' notice to the Commission and the public.

The Compass Trading Co., Inc. states that it has informed prospective storers of the relief sought herein. Attached to the application (Exhibit C) are several letters from said storers urging the Commission's approval of Application No. 52224. The application was also listed on the Commission's Daily Calendar for October 6, 1970. No protests to applicant's sought ex parte relief have been received.

The Commission finds that:

1. Applicant was authorized by Decision No. 77917, dated November 10, 1970, in Application No. 51768, to purchase and acquire from Robertson Drayage Co., Inc., on or before January 1, 1971, a certificate of public convenience and necessity to operate as a public utility warehouseman at San Jose, California.

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2. Applicant should be relieved of the responsibility of adopting the established tariff provisions of Robertson Drayage Co., Inc., and, in lieu thereof, publish and file the warehouse tariff provisions proposed in Application No. 52224.

3. The increase in utility warehouse tariff provisions, resulting under applicant's alternative tariff proposal herein, has been shown to be justified.

We conclude that the ex parte relief sought in Application No. 52224 should be granted. A public hearing is not necessary.

IT IS ORDERED that:

1. Compass Trading Co., Inc. is authorized to establish the utility warehouse tariff provisions proposed in Application No. 52224. Tariff publications authorized to be made as a result of the order herein 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. The effective date of said tariff filings shall be concurrent with the consummation of the transfer of operating rights authorized by Decision No. 77917, dated November 10, 1970, in Application No. 51768.

2. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 61-A.

3. Except as otherwise provided herein, the Commission's order in Decision No. 77917 shall remain in full force and effect.

4. 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

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constitutes a finding of fact of the reasonableness of any particular tariff rate, rule or charge, and that the filing of tariff rates, rules and charges pursuant to the authority herein granted will be construed as consent to this condition.

5. 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 ten days after the date hereof.

Dated at San Francisco, California, this 8th day of DECEMBER, 1970.

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Chairman  
*Augustus*  
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*William Synovis, Jr.*  
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*Tom Vukasin*  
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*James L. Sturgeon*  
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.