

ORIGINAL

Decision No. 79356

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)
ECKDAHL WAREHOUSE CO.)
a corporation, for authority under)
Section 454 of the Public Utilities)
Code to increase certain rates in its)
Warehouse Tariff Cal. P.U.C. No. 2.)

Application No. 52567
(Filed April 21, 1971)

Phil Jacobson, Attorney at Law, for applicant.
William F. Patterson, George L. Hunt and
Edward C. Crawford, for the Commission staff.

O P I N I O N

By this application, Eckdahl Warehouse Co. (Eckdahl), a corporation, seeks authority to increase its public utility warehouse rates and charges.

Public hearing was held before Examiner O'Leary at Los Angeles on June 22, 1971 at which time the matter was submitted. Applicant presented evidence through three witnesses: its president, its transportation consultant and its accountant. A witness from the Commission's Finance and Accounts Division also presented evidence and the staff of the Commission's Transportation Division assisted in the development of the record through the examination of applicant's witnesses.

Applicant's transportation consultant testified that the sought increases would raise Eckdahl's tariff rates to the same level as those set forth in California Warehouse Tariff Bureau, Tariff No. 28-A or the Commission's Minimum Rate Tariff 5, Los Angeles drayage rates and charges (said rates are presently set forth in the Commission's Minimum Rate Tariff No. 2).

The president of applicant testified that the proposed increases are necessary because of increased operating costs.

Applicant's statement of income for the year 1970, which is attached to the application as Exhibits C and D, discloses revenues from warehouse operations of \$167,321 and expenses of \$180,984 resulting in a loss of \$13,663. A study of applicant's financial records was conducted by the witness from the Commission's Finance and Accounts Division. The results of said study are contained in Exhibit 4. The exhibit discloses that the staff agrees with applicant's revenue figure of \$167,321 but that applicant's expense figure should be adjusted to reflect expenses of \$166,511 rather than \$180,984 resulting in a net profit of \$810.

Notice of the hearing to be held in this matter was sent to applicant's storers. No one appeared in opposition to the granting of the application. The representatives of the Commission's Transportation and Finance and Accounts Divisions recommended that the application be granted.

Applicant's storage rates are set forth in Items Nos. 140, 145, 150, 155, and 160 of its Warehouse Tariff No. 7. The tariff contains the following provision:

"When storer elects to use the following basis of charges and so indicates in writing prior to or at time merchandise is stored, the following alternative percentage charge will apply in lieu of charges set forth in Items Nos. 140, 145, 150, 155 and 160, namely:

<u>When invoice value per piece is:</u>	<u>Charge per piece for each 6 month period will be:</u>
\$15.00 or lower....	10% of said invoice value.
over \$15.00.....	6% of said invoice value."

The rates set forth in said provision are presently subject to the handling charge set forth in Item 20 paragraph (e) and the unloading and/or loading charges set forth in Item 90 of the tariff.

Applicant proposes to amend said provision as follows:

When storer elects to use the following basis of charges and so indicates in writing prior to or at time merchandise is stored, the following alternative percentage charge will apply in lieu of charges set forth in Items Nos. 140, 145, 150, 155 and 160; and said charges are not subject to provisions of Item 20 paragraph (e) and Item 90 paragraphs (a) and (b).

<u>When invoice value per piece is:</u>	<u>Charge per piece for each 6 month period will be:</u>
\$15.00 or lower....	10% of said invoice value.
over \$15.00.....	6% of said invoice value.

Such revision will result in a decrease in rates for storers utilizing rail cars or applicant's motor vehicles for transportation to or from the warehouse. It will result in an increase in rates for storers utilizing motor vehicles other than applicant's for the transportation to or from the warehouse. As justification for the proposed revision the president of applicant testified that additional costs are incurred when loading or unloading motor vehicles other than applicant's. However, no evidence was presented to show the amount of such additional costs. Section 453 of the Public Utilities Code provides that:

"No public utility shall, as to rates, charges, service, facilities, or in any other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No public utility shall establish or maintain any unreasonable difference as to rates, charges, service, facilities, or in any other respect, either as between localities or as between classes of service. The Commission may determine any question of fact arising under this section."

The proposed revision may result in an unreasonable difference in rates which is prohibited by Section 453 of the Public Utilities Code and therefore will be denied.

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Based on the evidence adduced the Commission finds that:

1. Applicant has experienced increased operating expenses which are not reflected in the level of their established tariff rates and charges.

2. The proposed revision to that provision of applicant's tariff which allows storers to elect an alternative percentage charge in lieu of charges set forth in Items 140, 145, 150, 155 and 160 of its tariff has not been shown to be justified.

3. With the exception of finding 2, the increased rates and charges proposed in Application No. 52567 are justified.

The Commission concludes that applicant should be authorized on not less than five days' notice to the Commission and to the public to increase its utility warehouse rates, rules and charges to the extent set forth in the order herein. To the extent not authorized, Application No. 52567 should be denied. ✓

The rates authorized are in the zone of reasonableness and are consistent with the purposes of the Federal Government's economic stabilization program in that they would bring applicant's charges up to the level of other warehousemen in the area and help to offset increased operating costs.

O R D E R

IT IS ORDERED that:

1. Applicant is hereby authorized to increase its tariff rates and charges as proposed in Application No. 52567 except for the sought revision of that provision of applicant's tariff which allows storers to elect an alternative percentage charge in lieu of charges set forth in Items Nos. 140, 145, 150, 155 and 160 of its tariff.

2. 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 the public. ✓ ✓

3. 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 consent to this condition.

4. 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 22nd day of NOVEMBER, 1971.

J. P. Rubin
Chairman
William J. ...
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Commissioners