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ORIGINAL

Decision No. 83578

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Proposed)
Reduced Rates and Charges for)
Storage of Tobacco - Smoking,)
Chewing or Cigarettes, by the)
APPLEGATE WAREHOUSE COMPANY, a) (I&S) Case No. 9798
corporation, in its public ware-)
house at Sacramento, California,)
as set forth in California Ware-)
house Tariff Bureau, Warehouse)
Tariff No. 52, Public Utilities)
Commission No. 224, Item 656.)

ORDER OF INVESTIGATION AND SUSPENSION

By petition filed September 24, 1974, California Distribution Centers, Inc., seeks investigation and suspension of a reduced first month's storage rate on tobacco, smoking, chewing or cigarettes applicable by Applegate Warehouse Company (Applegate) at Sacramento, California. This storage rate of 40 cents per one hundred pounds, which includes unloading of rail cars or trucks, handling in and out of warehouse, services incidental to withdrawal from storage, marking, preparing bills of lading, and inventory both physical and book, is scheduled to become effective October 10, 1974.¹

It is Petitioner's position that the proposed storage rate is unjust and unreasonable, and is in violation of Section 451 of the Public Utilities Code.

¹ The reduced rate is published in Item 656 of California Warehouse Tariff Bureau, Warehouse Tariff No. 52, Cal.P.U.C. No. 224, issued by Jack L. Dawson, Agent. Exhibit 2 of the petition contains a copy of the tariff page containing this item.

Petitioner is engaged as a public warehouseman with facilities located at Sacramento, California and rates covering its service are published in California Warehouse Tariff Bureau, Warehouse Tariff No. 52, Cal.P.U.C. No. 224. Petitioner states that it is competitive with Applegate.

Petitioner asserts that it presently stores tobacco in its facility at Sacramento for the general public, and has for many years stored substantial amounts of this commodity for a number of tobacco companies. Its present rate for service, substantially equivalent with that covered by Applegate proposed Item 656, is published as Item 650 of the tariff.

Petitioner alleges that the service covered by Petitioner's Item 650 in its principal aspects is the same as the service covered by the proposed Applegate Item 656 and the costs of Applegate and Petitioner are believed to be extremely close, if not identical. Petitioner is of the opinion that the item which Applegate proposes to publish is insufficient to cover the actual cost of providing the service and could cause Petitioner to lose a substantial amount of its business.

The petition also states that in addition to providing service as a warehouseman, Applegate is a motor carrier operating under a radial highway common carrier permit, a contract carrier permit and a highway common carrier certificate issued to it by the Commission.

According to Petitioner it is informed and believes and upon such information and belief states that Applegate intends as such a carrier to move tobacco into and from its warehouse for such accounts as are enticed to store their tobacco in its warehouse under its proposed Item 656. If the first month storage and warehouse handling charge collected from storers who use the carrier

service of Applegate for movement to or from the warehouse is below the cost of performing such service, then the storers would be receiving a rebate from such transportation service in an amount equal to the amount of the difference between the Applegate actual cost of service and the lower cost for which service was performed.

The Commission is of the opinion and finds that the effective date of the rate herein in issue should be postponed pending a hearing to determine its lawfulness.

Good cause appearing,

IT IS ORDERED that:

1. The operation of Item 656 of California Warehouse Tariff Bureau, Warehouse Tariff No. 52, Cal.P.U.C. No. 224 issued by Jack L. Dawson, Agent, filed to become effective October 10, 1974, is hereby suspended and the use thereof deferred until January 5, 1975, unless otherwise ordered by the Commission.

2. Copies of this order shall be forthwith served upon Applegate Warehouse Company; Jack L. Dawson, Agent, California Warehouse Tariff Bureau; and Frank Loughran of Loughran & Hegarty.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 8th day of October, 1974.

Vernon L. Steigman
President
William L. Quinn Jr.

[Signature]
[Signature]
Commissioners

I dissent.

*This petition for
investigation and suspension
should be denied*

W. L. Quinn Jr., Commissioner