

Decision No. 85089

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE EUREKA ICE AND COLD STORAGE COMPANY
For an Increase in Rates.

Application No. 55653
(Filed April 28, 1975)

O P I N I O N

Applicant is a public utility warehouseman engaged in the storage of commodities requiring refrigeration at Eureka. Applicant seeks to increase its rates by 20 percent. Authority is also requested in effecting the increase to drop fractions of less than one-half cent and increase fractions of one-half cent or greater to the next whole cent.

Notice of the proposed increase was sent to each of applicant's storers. One of applicant's storers protested the application. By letter dated September 11, 1975 the protestant advised it was withdrawing its protest.

Applicant's rates were last adjusted pursuant to authority granted by Decision No. 81701 dated July 31, 1973 in Application No. 53926.

Under present rates applicant sustained a loss in the public utility portion of its business of \$2,944 in 1974. Taking into consideration the 20 percent increase sought by this application, as well as increased cost of operations, applicant on the basis of business done in 1974 would have enjoyed a profit of \$10,259 after taxes, and an operating ratio of 94.4 percent coupled with a rate of return of 8.1 percent. While an operating ratio of 94.4 percent is projected, applicant anticipates a drop of approximately 1,000,000 pounds in 1975 due to a poor crab season and customers' expansion of

their own storage facilities. Applicant believes, however, that under the 20 percent increase here proposed, it can remain in business for the next two years without seriously jeopardizing its overall financial position.

Findings

1. Applicant's rates were last adjusted by Decision No. 81701 dated July 31, 1973 in Application No. 53926.

2. Since applicant's rates were last adjusted, it has experienced increases in operating expenses.

3. Under the increase sought herein applicant estimates it will realize additional revenue of \$30,661, an operating ratio, after taxes, of 94.4 percent, and a rate of return, after taxes, of 8.1 percent provided storage is the same level as in 1974.

4. The proposed increases have been shown to be justified.

5. A public hearing is not necessary.

The Commission concludes that Application No. 55653 should be granted.

O R D E R

IT IS ORDERED that:

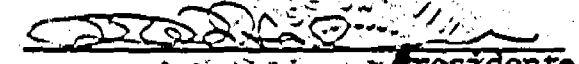
1. The Eureka Ice and Cold Storage Company is authorized to establish the increased rates proposed in Application No. 55653. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.

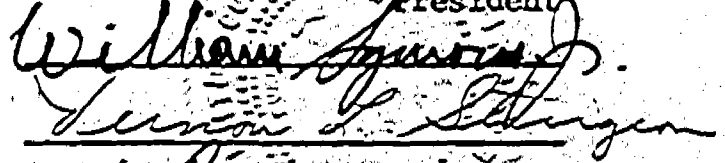
2. The authority shall expire unless exercised within ninety days after the effective date of this order.


3. The authority granted by this order is subject to the express condition that applicant will never urge before this Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that this opinion and order constitute a finding of fact of the reasonableness of any particular rate or charge. The filing of rates and charges pursuant to this order will be construed as a consent to this condition.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 12th
day of NOVEMBER, 1975.



President




Commissioners

Commissioner Robert Batinevich, being necessarily absent, did not participate in the disposition of this proceeding.