

ORIGINAL

Decision No. 86264

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of CALIFORNIA DISTRIBUTION)
CENTERS, INC. for an Increase)
in Rates.)

Application No. 56606
(Filed July 9, 1976)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Sacramento. The rates and rules governing applicant's operations are contained in California Distribution Centers, Inc., Warehouse Tariffs Nos. 1 and 2, Cal.P.U.C. Nos. 1 and 2, respectively, issued by Jack L. Dawson, Agent.

Applicant requests authority to increase the rates and charges named in the above-named tariffs by 12 percent.

Applicant alleges that its present rates do not yield sufficient revenue to allow it to conduct its warehouse operations at a profit.

Applicant's rates were last adjusted pursuant to authority granted by Decision 84994 dated October 15, 1975 in Application 55744.

Applicant further alleges that additional revenue is required because of increased costs in all phases of operation, the most significant being the increased cost of plant and clerical labor.

Exhibit C, attached to the application, contains revenue and expense data for the test year ended December 31, 1975 together with adjustments to reflect the proposed increase in revenue should the application be granted. The exhibit discloses that, during the test year, applicant sustained a loss of \$60,031 and an operating

ratio of 112.5 percent. Had the sought rates been in effect during the test year, applicant would have sustained a loss of \$2,202 and an operating ratio of 100.4 percent. The exhibit also indicates that, had the proposed rates been in effect for the test year with expenses revised to reflect current costs, applicant would have sustained a loss of \$31,075 and an operating ratio of 105.8 percent.

Notice of the proposed increase was sent to each of applicant's storers and the application was listed on the Commission's Daily Calendar of July 12, 1976. Schaeffer Manufacturing Company of St. Louis, Missouri, made a general protest of any increase in California Distribution Centers, Inc.'s warehouse rates claiming that the current rates were 50 percent higher than other firms offering comparative services in different states. Nevertheless, applicant's proposal is persuasive that increased rates are needed.

Findings

1. Applicant's rates were last adjusted by Decision 84994 dated October 15, 1975 in Application 55744.
2. Since applicant's rates were last adjusted, it has experienced increases in operating expenses, the most significant being the increased cost of plant and clerical labor.
3. Under the increases sought herein, applicant estimates it will realize additional revenue of \$57,829 and an operating ratio of 105.8 percent.
4. The proposed increases in applicant's rates and charges have been shown to be justified.
5. A public hearing is not necessary.

IT IS ORDERED that:

1. California Distribution Centers, Inc. is authorized to


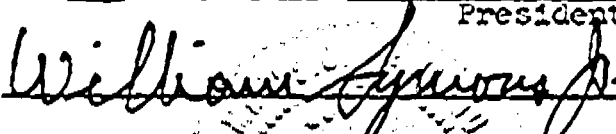


establish the increased rates proposed in Application 56606. Tariff publications authorized to be made as a result of this order shall be made effective not earlier than thirty days after the effective date of this order on not less than thirty days' notice to the Commission and to the public.

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 shall be twenty days after the date hereof.

Dated at San Francisco, California, this 17th day of August, 1976.


President



Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.