

Decision No. 86516

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of CITY DISTRIBUTION SERVICES)
for an Increase in Rates.)

Application No. 56617
(Filed July 14, 1976)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Anaheim, Carson, Long Beach, Los Angeles and Santa Fe Springs. The rates and rules governing applicant's operations are contained in Western Motor Tariff Bureau, Inc., Agent, Warehouse Tariffs Nos. 1 and 2, Cal.P.U.C. Nos. 35 and 36, respectively, and California Warehouse Tariff Bureau Tariff No. 13-B, Cal.P.U.C. No. 211, Jack L. Dawson, Agent.

Applicant requests authority to increase by approximately 25 percent its domestic rates and charges for storage and handling and publish such rates on five days' notice to the Commission and to the public.

If the authority is granted, applicant intends to cancel its participation in the above tariffs for domestic warehousing and publish its increased rates and charges in an individual tariff.¹ The requested rate increase has been determined by applicant without consultation or agreement with any other warehouseman.

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

¹ Applicant will continue to participate in Western Motor Tariff Bureau, Inc., Agent, Warehouse Tariff No. 1, Cal.P.U.C. No. 35, Section B, Customs Bonded Warehouse Rates and Rules.

The rates in question were last adjusted pursuant to authority granted by Decision 81758 dated August 21, 1973, in Application 53741.

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 labor, power and taxes.

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 realized a profit of \$17,257 and an operating ratio of 98.15 percent. Had the sought rates been in effect during the test year applicant would have realized, after taxes, a profit of \$30,526 and an operating ratio of 96.82 percent.

Notice of the proposed increase was sent to each of applicant's storers. The application was listed on the Commission's Daily Calendar of July 15, 1976. No objection to the granting of the application has been received.

Findings:

1. The involved rates were last adjusted by Decision 81758 dated August 21, 1973, in Application 53741.
2. Since said rates were last adjusted increases in operating expenses, the most significant being the cost of labor, power and taxes, have occurred.
3. Under the increase sought herein, applicant estimates it will realize additional revenue of \$28,465 and an operating ratio after taxes of 96.82 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. City Distribution Services is authorized to establish the increased rates and charges proposed in Application 56617. 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 five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

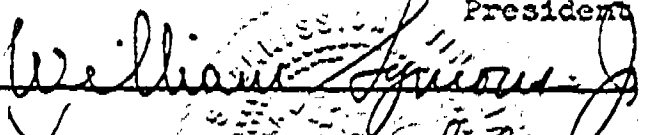

2. The authority shall expire unless exercised within ninety days after the effective date of this order.


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.

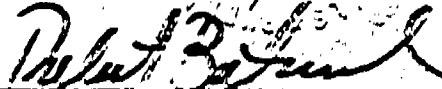
The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 13th day of October, 1976.



President







Commissioners