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Decision No. 86522

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of WESTERN MOTOR TARIFF BUREAU,)
INC., AGENT, for authority to)
increase rates in WESTERN MOTOR)
TARIFF BUREAU, INC. warehouse)
Tariffs No. 1 and No. 2, con-)
taining rates of participating)
warehousemen in the City of)
Los Angeles and other southern)
California points.)

Application No. 56673
(Filed August 4, 1976)

ORDER OF DISMISSAL

Western Motor Tariff Bureau, Inc. seeks, on behalf of 43 public utility warehousemen storing general commodities in the Metropolitan Los Angeles area, to establish a surcharge increase of 6 percent in the rates and charges set forth in Western Motor Tariff Bureau, Inc. Warehouse Tariffs Nos. 1 and 2.

Decisions Nos. 84840, 84841, and 84818 dated August 26, 1975 in Applications Nos. 55488, 55058, and 54471, respectively, announced a new regulatory policy of the Commission as follows:

"Principally, the Commission intends to encourage the availability of individual tariff filing by the various warehousemen and to protect the potentiality of individual action both within and among the various tariff bureaus. Accordingly, the Commission will henceforth set rates on an individual basis, granting permission to increase rates only to those warehouses which are both efficiently operated and unable to earn a reasonable return at existing rates. Group filings of a single rate for warehousing services where no individual justification has been made by the members of the group will be subject to dismissal."

In announcing the above new regulatory policy the Commission found that:

"To promote the establishment of competitive ratemaking, rates should be set on an individual basis granting authority to increase rates only to those warehousemen which are both efficiently operated and unable to earn a reasonable return at existing rates. Henceforth, rate increase applications involving warehousemen will be considered on an individual basis."

In keeping with the above policy Application No. 55805 filed by 38 public utility warehousemen operating warehouse facilities in the Metropolitan San Francisco-East Bay Area for the storage and handling of general merchandise was dismissed by Decision No. 84962 dated October 7, 1975.^{1/} Since that date Bay Area warehousemen have filed individual applications for rate increases. It should be noted that the amount of the rate increase sought by each warehouseman and authorized by the Commission was different for the storage and handling of like commodities.

In consideration of our announced regulatory policy concerning warehouse rate increases and our dismissal of a similar application filed by Bay Area warehousemen, this application will be dismissed without prejudice to the filing of separate applications by individual Metropolitan Los Angeles area warehousemen. In the alternative, we would entertain either of two kinds of filings by Western Motor Tariff Bureau, Inc.:

^{1/} Decision No. 84962 states as follows:

"Applicants' consolidated sought relief having been fully considered in the light of the aforementioned new regulatory policy and finding of the Commission, it has been determined that Application No. 55805 should be dismissed without prejudice to a subsequent request for relief filed by or on behalf of individual warehousemen in conformity with the new regulatory policy adopted by the Commission for the regulation of utility warehouse tariff rates and charges."

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1. An application on behalf of all 43 warehousemen for a uniform increase for each warehouse operation, where data on individual revenue requirements and operating conditions are supplied for each operator. If this option is chosen, the Commission will grant whatever increase is appropriate for the most profitable warehouse; other warehouses with less favorable results will still be free to file individually;
2. Applications filed by Western Motor Tariff Bureau made on behalf of individual warehouse operators and containing data on individual operating results. Such applications must include an affirmation that the level of rates requested was determined individually by the applicant, without consultation or coordination with other warehouse operators, and that Bureau tariff agents or employees do not advise the applicant on the level of rates to be requested. It is our intention to authorize such individually filed rates so long as they would not result in predatory or monopolistic pricing.

IT IS ORDERED that Application No. 56673 is dismissed.

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

Dated at San Francisco, California, this 19th day of OCTOBER, 1976.

Lahtari
William Squires Jr
 Commissioner

[Signature]

 President

[Signature]

[Signature]

 Commissioners

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