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Decision No. 86729

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of UNION TERMINAL WAREHOUSE,)
INC., for an Increase in Rates.)

Application No. 56869
(Filed November 15, 1976)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Los Angeles and Vernon. The rates, rules and regulations governing applicant's operations are contained in Western Motor Tariff Bureau, Inc., (WMTB) Warehouse Tariffs Nos. 1 and 2, Cal. P.U.C. Nos. 35 and 36, respectively and Union Terminal Warehouse, Inc., Warehouse Tariff No. 6, Cal. P.U.C. No. 6.

Applicant requests authority to cancel its Warehouse Tariff No. 6 and its participation in the aforementioned WMTB tariffs and, in lieu thereof, to publish in its proposed Warehouse Tariffs Nos. 7 and 8 revised rates and charges which should result in an overall increase in revenue of approximately 10.5 percent. 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 profit.

Applicant's rates were last adjusted pursuant to authority granted by Decision 84840 dated August 26, 1975, in Application 55488.

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

Exhibit B, attached to the application, contains revenue and expense data for the test year ended December 31, 1975, modified to include current revenues and expenses, 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 \$155,462 and an operating ratio of 109.4 percent. Had the sought rates been in effect during the test year together with expenses revised to reflect current costs, applicant would have realized, a profit of \$17,086 and an operating ratio of 99.1% percent.

Notice of the proposed increase was sent to each of applicant's storers. No objection to the granting of the application has been received.

Findings

1. Applicant's rates were last adjusted by Decision 84840 dated August 26, 1975, in Application 55488.
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 increase sought herein applicant estimates it will realize additional revenue of \$172,547 and an operating ratio of 99.1 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:

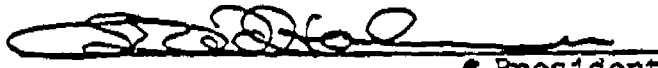
1. Union Terminal Warehouse, Inc., is authorized to establish the increased rates proposed in Application 56869. Tariff publications authorized to be made as a result of this order shall be made effective not earlier than one day after the effective date of this order on not less than one day's notice to the Commission and to the public.

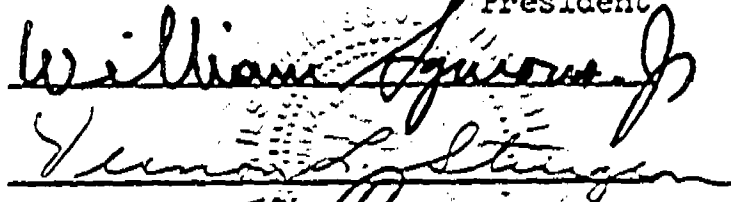
2. The authority shall expire unless exercised within ninety days after the effective date of this order.

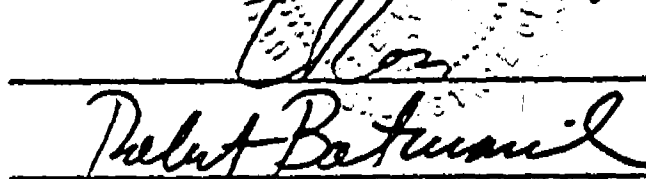
3. The authority granted by this order is subject to the express condition that applicant will never urge before the Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that this opinion and order constitute a finding of fact of the reasonableness 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 7th day of December, 1976.



President




Commissioners