

ORIGINAL

Decision No. 86894.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of RED LINE WAREHOUSES, INC., for)
an Increase in Rates.)

Application No. 56914
(Filed December 6, 1976)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at San Jose. The rates, rules, and regulations governing applicant's operations are contained in California Warehouse Tariff Bureau Tariff No. 55, Cal. P.U.C. No. 231 of Jack L. Dawson, Agent and Red Line Warehouses, Inc. Warehouse Tariff No. 2, Cal. P.U.C. No. 2.

Applicant requests authority to increase its rates by approximately 16 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 83111 dated July 9, 1974 in Application 54675.

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 September 30, 1976 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 \$6,066 and an

operating ratio of 105 percent. Had the sought rates been in effect during the test year applicant would have realized, after taxes, a profit of \$9,136, and an operating ratio of 93.4 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 83111 dated July 9, 1974, in Application 54675.

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 \$19,118 and an operating ratio after taxes of 93.4 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. Red Line Warehouses, Inc. is authorized to establish the increased rates proposed in Application 56914. 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

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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 25th day of January, 1977.

Robert Bateman
President
William Sproull, Jr.
Vernon L. Sturgeon
A. Ross
Commissioners