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Decision No. 87422 JUN 1 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of David S. Adams, D.Q. Adams, W.W. Adams, Elizabeth Adams McClure, Margaret Adams Dallam, Nancy Adams Bloom, William O. Adams Elizabeth Adams Peabody and Loralee S. Adams, dba ADAMS, SCHWAB & ADAMS WAREHOUSE CO., for an Increase in Rates.

Application No. 57296
(Filed May 12, 1977)

OPINION AND ORDER

Applicants operate as a public utility warehouseman for the storage of bulk grain at Dunnigan and Woodland. The rates, rules and regulations governing applicants' operations are contained in California Warehouse Tariff Bureau Warehouse Tariff No. 38-A, Cal P.U.C. No. 267, of Jack L. Dawson, Agent.

Applicants request authority to increase their rates for the storage and handling of wheat and oats by approximately 20 percent and to cancel obsolete tariff provisions. The requested increase has been determined by applicants without consultation or agreement with any other warehouseman.

Applicants allege that their present rates do not yield sufficient revenue to allow them to conduct their warehouse operations at a profit.

Applicants' rates were last adjusted pursuant to authority granted by Decision 83368 dated August 27, 1974, in Application 52547.

Applicants further allege 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 April 30, 1977, together with adjustments to reflect the proposed increase in revenue should

the application be granted. The exhibit discloses that during the test year applicants sustained a loss of $69,263 and an operating ratio of 110 percent. Had the sought rates been in effect during the test year applicant would have realized a profit of $68,487 and an operating ratio of 91.7 percent.

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

FINDINGS

1. Applicants' rates were last adjusted by Decision 83368 dated August 27, 1974 in Application 52547.

2. Since applicants' rates were last adjusted they have experienced increases in operating expenses, the most significant being the increased cost of plant and clerical labor.

3. Under the increase sought herein applicants estimate they will realize additional revenue of $137,750 and an operating ratio of 91.7 percent.

4. The proposed increases in applicants' rates and charges have been shown to be justified.

5. A public hearing is not necessary.

The Commission concludes that the application should be granted to the extent indicated in the ensuing order and the effective date of this order should be the date hereof because there is an immediate need for this rate relief.

IT IS ORDERED that:

1. David S. Adams, D.Q. Adams, W.W. Adams, Elizabeth Adams McClure, Margaret Adams Dallam, Nancy Adams Bloom, William O. Adams, Elizabeth Adams Peabody and Loralee S. Adams are authorized to establish the increased rates and to cancel certain rules as proposed in Application 57296. Tariff publications authorized to be made as a result of this order may 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 applicants 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 is the date hereof.

Dated at San Francisco, California, this 1st day of JUNE, 1977.

Robert Batinovich
President
William Symons, Jr.
Vernon L. Sharp
Richard D. Gualco
Commissioners