

ORIGINAL

Decision No. 87573 July 12, 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Metropolitan Warehouse Company)
for an increase in rates.)

Application No. 57343
(Filed May 26, 1977)

OPINION AND ORDER

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

Applicant requests authority to increase rates by 12.5 percent for storage and 9 percent for all other services. The requested increase is estimated to produce an overall revenue increase of approximately 10.1 percent and has been determined by applicant without consultation or agreement with any other warehouseman. If the authority is granted, the increased rates will be published in an individual tariff as a surcharge.

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 86469 dated October 5, 1976, in Application 56674.

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 December 31, 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 \$122,023 and an operating ratio of 105.5 percent. Had the sought rates been in effect during the test year, with expenses revised to reflect current costs, applicant would have realized a profit of \$55,650 and an operating ratio of 97.7 percent.

Notice of the proposed increase was sent to each of applicant's storers. None of the storers have registered any objection to the proposed increases.

Findings

1. Applicant's rates were last adjusted by Decision 86469 dated October 5, 1976, in Application 56674.
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 \$225,891 and an operating ratio of 97.7 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. Metropolitan Warehouse Company is authorized to establish the increased rates proposed in Application 57343. 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 time limit of ordering paragraph 3 of Decision 86469 is extended to coincide with that provided in ordering paragraph 4 hereof.

4. Within 270 days after the effective date of this order, applicant shall cancel its participation in Western Motor Tariff Bureau, Inc., Warehouse Tariffs Nos. 1 and 2, Cal.P.U.C.-Nos. 35 and 36, respectively, and the surcharge tariff authorized by ordering paragraph 1 hereof.

5. Applicant shall file its individual tariff or tariffs effective concurrently with the effective date of the cancellation of the tariff publications authorized in ordering paragraph 4 hereof.

6. The level of the rates in the individual tariff or tariffs referred to in ordering paragraph 5 hereof shall reflect the incorporation of the surcharge increases authorized in ordering paragraph 1 hereof into the rates of Metropolitan Warehouse Company as set forth in Western Motor Tariff Bureau, Inc., Warehouse Tariffs Nos. 1 and 2, Cal. P.U.C. Nos. 35 and 36, respectively.

7. 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 12th day of JULY, 1977.

Commissioner CLAIRE T. DEDRICK did not participate in the disposition of this proceeding.

Robert Bateman
President

William J. Lyons Jr.

Yvonne L. Sturgeon

Richard D. Howell

Commissioners