

Decision No. 87729 . AUG 16 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of States Warehouse, Inc., seek-)
ing authority to increase rates)
for its account in Western Motor)
Tariff Bureau, Inc., Agent, Ware-)
house Tariff Nos. 1 and 2 appli-)
cable for storage and handling in)
Southern California.)

Application No. 57369
(Filed June 8, 1977)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at La Mirada. The rates, rules and regulations governing applicant's operations are contained in Western Motor Tariff Bureau, Inc., Agent, Warehouse Tariffs Nos. 1 and 2, Cal.P.U.C. Nos. 35 and 36, respectively.

Applicant requests authority to increase its rates for storage by 10 percent and its handling charges by 18 percent.

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 operation, 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, 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 \$63,921 and

an operating ratio of 108 percent. Had the sought rates been in effect during the test year applicant would have realized a profit of \$32,271 and an operating ratio of 97 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 \$121,961 and an operating ratio of 97 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. States Warehouse, Inc. is authorized to establish the increased rates proposed in Application 57369. 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 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 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 16th day of AUGUST, 1977.

Robert Bateman
President
William Squon-Jr.
Verizon L. Sturgeon
Richard D. Gualle
Clare T. Ehril
commissioners