

LW/DDM

Decision No. 87730

AUG 16 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of WELLSON, INC., dba BAY AREA)
WAREHOUSE CO. for an Increase in)
Rates.)

Application No. 57375
(Filed June 14, 1977)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Emeryville. The rates, rules and regulations governing applicant's operations are contained in California Warehouse Tariff Bureau, Warehouse Tariffs Nos. 48-A, 49-A and 83-E, Cal. P.U.C. Nos. 253, 262 and 275, respectively, of Jack L. Dawson, Agent.

Applicant requests authority to increase its rates by 12.5 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 83246 dated August 6, 1974 in Application 54589.

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 realized a profit of \$3,526 and an operating ratio of 98.2 percent. Had the sought rates been in effect during the test year applicant would have realized a profit of \$21,219 and an operating ratio of 90.6 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 83246 dated August 6, 1974, in Application 54589.
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 \$25,093 and an operating ratio of 90.6 percent.
4. The proposed increases in applicant's rates and charges have been shown to be justified.

IT IS ORDERED that:

1. Wellson, Inc., is authorized to establish the increased rates proposed in Application 57375. 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 Code, or in any other proceeding, that this opinion and order constitute a finding of fact of the reasonableness of any

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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 Betancourt

President

William J. Gannon, Jr.

Wesley L. Sturgeon

Robert D. Givale

Paul J. DeBriak

Commissioners