

Decision No. 87999 OCT 12 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of Commerce Warehouse Company, )  
seeking authority to increase )  
rates for its account in Western )  
Motor Tariff Bureau, Inc., )  
Agent, Warehouse Tariff Nos. 1 )  
and 2 applicable for storage and )  
handling in Southern California. )

Application No. 57527  
(Filed August 22, 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. Warehouse Tariff Nos. 1 and 2 Cal.P.U.C. Nos. 35 and 36, respectively.

Applicant requests authority to increase its rates for storage by 6 percent which will result in a 2.5 percent increase in revenue. 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 86784 dated December 21, 1976 in Application 56855.

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 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 \$154,225 and an operating ratio of 114.5 percent. Had the sought rates been in effect during the test year applicant would have realized a profit of \$44,520 and an operating ratio of 96.6 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 86784 dated December 21, 1976, in Application 56855.

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 \$266,948 and an operating ratio of 96.6 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. Commerce Warehouse Company is authorized to establish the increased rates proposed in Application 57527. 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 12th day of OCTOBER, 1977.

Robert Botwinick

President

William Synow Jr.

Thomas L. Sturgeon

Richard P. Gwalle

Clara L. D. Smith

Commissioners