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Decision No. 88682 APR 4 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of WALTON DISTRIBUTION SERVICES,)
INC. for an Increase in Rates.)

Application No. 57897
(Filed March 1, 1978)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Oakland. The rates, rules and regulations governing applicant's operations are contained in Walton Distribution Services, Inc., Warehouse Tariff Nos. 1 and 3, Cal. P.U.C. No. 1 and 3, respectively.

Applicant requests authority to increase its rates, by varying amounts, to result in an 8.4 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 87203 dated April 12, 1977 in Application 57108.

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 November 30, 1977, modified to reflect current rates, together with adjustments to reflect the proposed increase in revenue should the application be granted. The exhibit discloses that during the modified test year applicant realized a profit of \$13,214 and an operating ratio of 98.4 percent. Had the sought rates been in effect during the modified

test year applicant would have realized a profit of \$35,986 and an operating ratio of 96 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 87203 dated April 12, 1977, in Application 57108.
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 increases sought herein applicant estimates it will realize additional revenue of \$70,079 and an operating ratio of 96 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. Walton Distribution Services, Inc. is authorized to establish the increased rates proposed in Application 57897. 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

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 thirty days after the date hereof.

Dated at San Francisco, California, this 4th day of APRIL, 1978.

Robert Batimnich

President

William S. Jones, Jr.

George L. Sturgeon

Charles P. Howell

Clair J. DeSilva

Commissioners