

Decision No. 88740 APR 18 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of AMERICAN WAREHOUSE CO., INC. )  
for an increase in Rates. )

Application No. 57876  
(Filed February 21, 1978)

OPINION AND ORDER

Applicant is a public utility warehouseman primarily for the storage of agricultural commodities at Fresno. The rates, rules and regulations governing applicant's operations are contained in American Warehouse Co., Inc., Warehouse Tariff No. 1, Cal. P.U.C. No. 1.

Applicant requests authority to increase rates and charges by 17 percent. 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 84966 dated October 7, 1975, in Application 55555.

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, 1977, 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 \$4,535 after taxes and an operating ratio of 99 percent. Had the sought rates been in effect during the test year applicant would have realized a profit of \$43,705 after taxes and an operating ratio of 91.9 percent.

Notice of the proposed increase was sent to each of applicant's storers. Letters of protest were received from two of applicant's storers and were given due consideration. Applicant has not received an increase in rates since October, 1975.

FINDINGS

1. Applicant's rates were last adjusted by Decision 84966 dated October 7, 1977, in Application 55555.

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 \$75,701 and an operating ratio of 91.9 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. American Warehouse Co., Inc. is authorized to establish the increased rates proposed in Application 57876. 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 5 days after the effective date of this order on not less than 5 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 18th day of APRIL, 1978.

Robert Botwinick  
President

William Summers Jr.

Vernon L. Sturgeon

Alvin T. DeLoach  
Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.