Decision No. __88910__ MAY 3 1 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of Trammell Crow Distribution)
Corporation of Los Angeles, seek-)   Application No. 57995
ing authority to increase rates)   (Filed April 12, 1978)
in Warehouse Tariff Nos. 1 and 2)
applicable for storage and han-)
dling in Southern California.)

OPINION AND ORDER

     Trammell Crow Distribution Corporation of Los Angeles is a
public utility warehouseman for the storage of general commodities at
City of Commerce, California. The rates, rules and regulations govern-
ing applicant's operations are contained in its Warehouse Tariffs
Nos. 1 and 2.

     Applicant requests authority to increase rates and charges
by approximately 7 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 reasonable profit.

     Applicant's rates were last adjusted pursuant to author-
ity granted by Decision 86588 dated November 2, 1976 in Application
56648.

     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 cleri-
cal labor.

     Exhibit B, attached to the application, contains revenue
and expense data for the test year ending 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 $66,387 and an operating
ratio of 91.98 percent. When the test year is adjusted to reflect
current costs, the profit is reduced to $21,801 and the operating
ratio is 97.77%. Had the sought rates been in effect during the

test year applicant would have realized a profit of $95,540 and an operating ratio of 90.93 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 86588 dated November 2, 1976, in Application 56648.

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 $68,915 and an operating ratio of 90.93 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. Trammell Crow Distribution Corporation of Los Angeles is authorized to establish the increased rates proposed in Application 57995. 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 31st day of _____MAY_____, 1978.

Robert Batinovich

President

William Symons Jr.

Vernon L. Sturgeon

Richard D. Gravelle

Commissioners

Commissioner Claire T. Dedrick. being necessarily absent. did not participate in the disposition of this proceeding.