

Decision No. 88919 MAY 31 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of UNION TERMINAL WAREHOUSE, INC.)
for an increase in rates)

Application No. 58021
(Filed April 24, 1978)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Los Angeles and Vernon. The rates, rules and regulations governing applicant's operations are contained in its Warehouse Tariff Nos. 7 and 8, Cal. P.U.C. Nos. 7 and 8 respectively.

Applicant requests authority to increase rates and charges in its Warehouse Tariff No. 7 by 12 percent and in its Warehouse Tariff No. 8 by 8 percent. The requested rate increases have 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 86729 dated December 7, 1976 in Application 56869.

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 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 sustained a loss of \$81,159 and an operating ratio

of 105 percent. Had the sought rates been in effect during the test year applicant would have realized a profit of \$4,208 and an operating ratio of 99.8 percent.

Notice of the proposed increases were sent to each of applicant's storers. By letter dated May 4, 1978, Spice King Corporation protested the ex parte handling of the requested increases, stating that the rates are presently high enough to provide applicant with a substantial profit. The allegation was not supported by facts.

FINDINGS

1. Applicant's rates were last adjusted by Decision 86729 dated December 7, 1976, in Application 56869.
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 an additional revenue of \$155,367 and an operating ratio of 99.8 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. Union Terminal Warehouse, Inc. is authorized to establish the increased rates proposed in Application 58021. 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 thirty days after the date hereof.

Dated at San Francisco, California, this 31st day of MAY, 1978.

Robert Bateman
President
William Sproule, Jr.
Vernon L. Sturgeon
Richard D. Hoyle

Commissioners

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