

LSJ/FS

ORIGINAL

Decision No. 89082

JUL 11 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of MITCHELL SILLIMAN COMPANY for)
an Increase in Rates.)

Application No. 58080)
(Filed May 19, 1978)

OPINION AND ORDER

Applicant, a California corporation, is a public utility warehouseman for the storage of general commodities at Salinas, Camphora, Chualar and Gonzales. The rates, rules and regulations governing applicant's operations are contained in California Warehouse Tariff Bureau Warehouse Tariffs No. 34, Cal. P.U.C. No. 181, and No. 38-A, Cal. P.U.C. No. 267, of Jack L. Dawson, Agent.

Applicant requests authority to increase its rates and charges as set forth in Exhibit A of the application, which would result in an estimated overall revenue increase of approximately 9.1 percent. The requested rate increase has been determined by applicant without consultation or agreement with any other warehouseman. If the authority is granted, the proposed increased rates will be published by applicant in individual tariffs.

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 83368 dated August 27, 1974 in Application 52547.

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 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 sustained a loss of \$187,981 and an operating ratio of 152 percent. Had the sought rates been in effect during the test year applicant would have sustained a loss of \$155,359 and an operating ratio of 140 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 83368 dated August 27, 1974, in Application 52547.
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 \$32,622 and an operating ratio of 140 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. Mitchell Silliman Company, a corporation, is authorized to establish the increased rates proposed in Application 58080. 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

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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 11th day of JULY, 1978.

Robert Bateman
President

Richard D. Gault
Clair T. DePrado
Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.