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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
 of Interamerican Public Distri-)
 bution Corporation, seeking)
 authority to increase rates for)
 its account in Western Motor)
 Tariff Bureau, Inc., Agent, Ware-)
 house Tariff Nos. 1 and 2 and)
 Interamerican Public Distribution)
 Corporation, Warehouse Tariff)
 No. 1, Cal. P.U.C. No. 1 (Ware-)
 house), Flour Inc., Series,)
 applicable for storage and hand-)
 ling in Southern California.)

Application No. 58027
 (Filed April 24, 1978)
 (Amended June 19, 1978)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Los Angeles. The rates, rules and regulations governing applicant's operations are contained in Western Motor Tariff Bureau, Inc. (WMTB) Agent, Warehouse Tariff No. 1, Cal. P.U.C. No. 35; Warehouse Tariff No. 2, Cal. P.U.C. No. 36; and in Interamerican Public Distribution Corporation (IPDC) Warehouse Tariff No. 1, Cal. P.U.C. No. 1 (Warehouse), Flour Inc., Series.

Applicant requests authority to increase rates and charges in its WMTB tariffs as much as 23 percent and in the Flour Inc., Series Tariff by as much as 28 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 in WMTB, Warehouse Tariffs 1 and 2 were last adjusted pursuant to authority granted by Decision 84840 dated August 26, 1975 in Application 55488 and rates in IPDC Warehouse Tariff No. 1, Flour Inc., Series, were last adjusted pursuant to authority granted by Decision 85954 dated June 15, 1976 in Application 56259.

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, Page 1 of 2, attached to the application, contains revenue and expense data of the warehouse located at 6277 Slauson Avenue, Los Angeles, for the test year ended December 31, 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 test year, applicant sustained a loss of \$91,385 and an operating ratio of 107.7 percent. Had the sought rates been in effect during the modified test year, applicant would have realized a profit of \$92,651 and an operating ratio of 93.4 percent.

Exhibit B, Page 2 of 2, attached to the application contains revenue and expense data of the warehouse located at 2727 East Vernon Avenue, Vernon for the test year ended December 31, 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 test year, applicant sustained a loss of \$91,611 and an operating ratio of 112.7 percent. Had the sought rates been in effect during the modified test year, applicant would have realized a profit of \$53,598 and an operating ratio of 93.91 percent.

On June 19, 1978, applicant submitted an amendment to Application No. 58027 wherein it further proposes the following changes:

1. To delete the address shown in its tariffs as 4219 North Produce Plaza, Los Angeles, California 90058 and in lieu thereof to insert 2727 E. Vernon Avenue, Vernon, California 90058.

2. To amend Rule 63, Paragraph (E) by increasing the collect on delivery charges as follows: Delete the "1.0 of 1 percent" assessment and substitute "1 percent".

Notice of the proposed increases was sent to each of applicant's storers. No objection to the granting of the application, as amended, has been received.

Findings

1. Applicant's rates were last adjusted by Decision 84840 dated August 26, 1975, in Application 55488 and Decision 85954 dated June 15, 1976, in Application 56259.
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 revenues of \$219,236 and an operating ratio of 93.4 percent and \$161,715 and an operating ratio of 93.91 percent, respectively.
4. The proposed increases in applicant's rates and charges have been shown to be justified.
5. The proposed change of location would not be adverse to the public interest.
6. The proposed change in the application concerning collect on delivery charges has been shown to be justified.
7. It can be seen with reasonable certainty that the activities in question will not have a significant effect on the environment.
8. A public hearing is not necessary.

IT IS ORDERED that:

1. Interamerican Public Distribution Corporation is authorized to establish the increased rates and charges proposed in Application 58027, as amended. 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. Interamerican Public Distribution Corporation is authorized to relocate its warehouse facilities at 4219 North Produce Plaza, Los Angeles to 2727 E. Vernon Avenue, Vernon, subject to the condition set forth in ordering paragraph 5.

3. The authority shall expire unless exercised within ninety days after the effective date of this order.

4. 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.

5. Applicant shall, at the direction of the owner of any property in storage at 4219 North Produce Plaza, Los Angeles, transport such property to the new facility of applicant or any available public utility warehouse in the vicinity of the present location at the expense of the applicant and at no expense or risk to the owner of the property transported.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 25th
day of JULY, 1978.

Robert Baty
President
William J. Sweeney Jr.
James L. Higgins
Robert W. Howell
Clair T. Smith
Commissioners