

Decision No. 89291 AUG 22 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of RED LINE WAREHOUSES, INC. for )  
an Increase in Rates. )

Application No. 58180  
(Filed June 28, 1978)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at San Jose. The rates, rules and regulations governing applicant's operations are contained in Red Line Warehouses, Inc., Warehouse Tariff No. 3, Cal. P.U.C. 3, and Red Line Warehouses, Inc., Warehouse Tariff No. 4, Cal. P.U.C. 4.

Applicant requests authority to increase its rates and charges for other than storage by 20 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 authority granted by Decision 86894, dated January 25, 1977, in Application 56914.

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 period from April 1, 1977 to March 31, 1978 together with adjustments to reflect the proposed increase in revenue should the application be granted. The exhibit discloses that during that period applicant realized a profit of \$16,628.00 and an operating ratio of 92.2 percent. Projected results for the above period with expenses revised to reflect current costs without the sought rates would reduce the operating ratio to 94.7 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 86894 dated January 25, 1977, in Application 56914.

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 \$21,504.00 and an operating ratio of 90.7 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. Red Line Warehouses, Inc. is authorized to establish the increased rates proposed in Application 58180. 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 22nd day of AUGUST, 1978.

Robert Bateman  
President  
William J. Brown  
Vernon L. Sturgeon

Commissioners

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

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