

AUG 22 1978

ORIGINAL

Decision No. 89294

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of Malcolm W. Lamb, dba SOUTH END )  
WAREHOUSE COMPANY for an Increase )  
in Rates. )

Application No. 58244  
(Filed July 20, 1978)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at San Francisco. The rates, rules and regulations governing applicant's operations are contained in South End Warehouse Company Tariffs Nos. 1 and 2, Cal. P.U.C. Nos. 1 and 2, respectively.

Applicant requests authority to increase special labor rates from \$12.75 per hour to \$15.00 per hour, straight time, and from \$18.98 per hour to \$22.50 per hour, overtime, and to increase all other rates and charges by 10 percent. Applicant's revenue is expected to increase by 11 percent if the increase is granted. The proposed increase has been determined by applicant without consultation or agreement with any other warehouseman.

Applicant alleges that his present rates do not yield sufficient revenue to allow him to conduct his warehouse operations at a reasonable profit.

Applicant's rates were last adjusted pursuant to authority granted by Decision 86302 dated August 24, 1976, in Application 56613.

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. Applicant has not attempted to recover any non-labor expenses and expects any savings resulting from Proposition 13 to be offset by non-labor expenses already incurred.

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Exhibit C, 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, with expenses revised to reflect current costs, should the application be granted. The exhibit discloses that during the test year, as modified to reflect current costs, applicant would have sustained a loss of \$19,777 and an operating ratio of 105 percent. Had the sought rates been in effect during the test year, as modified to reflect increased expenses, applicant would have realized a profit of \$22,519 and an operating ratio of 94.7 percent.

Notice of the proposed increase was sent to each of applicant's storers. The application was listed on the Commission's Daily Calendar of July 24, 1978. No objection to the granting of the application has been received.

FINDINGS

1. Applicant's rates were last adjusted by Decision 86302 dated August 24, 1976, in Application 56613.
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 \$42,296 and an operating ratio of 94.7 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. Malcolm W. Lamb, doing business as South End Warehouse Company, is authorized to establish the increased rates proposed in Application 58244. 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.

Roluit Bakumil  
President  
William J. Lyons, Jr.  
Verna L. Sturgeon

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Commissioners

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

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