

Decision No. S9370 SEP 6 1978

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )	
of ACE CITY DELIVERY, dba ACE )	Application No. 58234
CITY WAREHOUSE, for an Increase )	(Filed July 17, 1978)
in Rates. )	

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at City of Commerce. The rates, rules and regulations governing applicant's operations are contained in Western Motor Tariff Bureau, Inc., Agent, Warehouse Tariffs Nos. 1 and 2, Cal. P.U.C. Nos. 35 and 36, respectively, and Ace City Warehouse (Ace City Delivery) Warehouse Tariff No. 1, Cal. P.U.C. No. 1.

Applicant requests authority to increase its rates by 10 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 87799 dated August 30, 1977 in Application 57426.

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 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, as modified to reflect current costs, applicant

would have realized a profit of \$3,956 and an operating ratio of 99.2 percent. Had the sought rates been in effect during the test year, applicant would have realized a profit of \$51,187 and an operating ratio of 90.1 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 87799 dated August 30, 1977, in Application 57426.

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 \$47,231 and an operating ratio of 90.1 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. Ace City Delivery, dba Ace City Warehouse, is authorized to establish the increased rates proposed in Application 58234. 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 6<sup>th</sup> day of SEPTEMBER, 1978.

Robert Bateman  
President  
William S. ...  
Vernon L. ...  
Charles D. ...  
Commissioners

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