

Decision No. 90126 †

MAR 27 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of CONTINENTAL WAREHOUSE, INC.)
for an Increase in Rates.)

Application No. 58660
(Filed February 9, 1979)

OPINION AND ORDER

Applicant is a California corporation and a public utility warehouseman for the storage of general commodities at Burlingame. The rates, rules and regulations governing applicant's operations are contained in Continental Warehouse, Inc., Warehouse Tariff No. 1, Cal. P.U.C. 1.

Applicant requests authority to increase its rates and charges for storage and for other than storage. The requested rate increase has been determined by applicant without consultation or agreement with any other warehouseman and is within the President's wage-price guidelines.

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 88065 dated November 26, 1977, in Application 57591.

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 January 1, 1978 to December 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 \$14,018 and an operating ratio of 96.2 percent. Projected results for the above period with expenses revised to reflect current costs without the sought rates would result in an operating ratio of 110 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 88065 dated November 26, 1977, in Application 57591.

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 its profit before taxes will be \$4,053 and an operating ratio of 99 percent.

4. The proposed increase in applicant's rates and charges has been shown to be justified.

5. A public hearing is not necessary.

The Commission concludes that the application should be granted as set forth in the ensuing order.

IT IS ORDERED that:

1. Continental Warehouse, Inc. is authorized to establish the increased rates proposed in Application 58660. 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.

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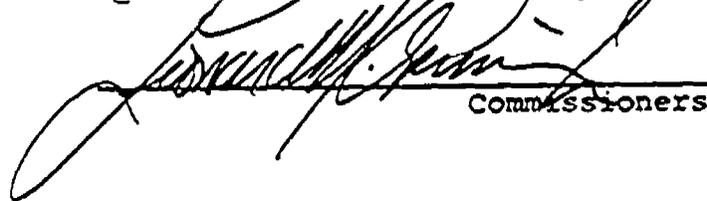
The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 27th day of MARCH, 1979.



President





Commissioners

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

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