

ORIGINAL

Decision No. 90178 APR 10 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application )  
of Redway Truck & Warehouse Com- )  
pany, seeking authority to in- )  
crease rates for its account in )  
Western Motor Tariff Bureau, Inc.)  
Agent, Warehouse Tariff Nos. 1 )  
and 2 applicable for storage and )  
handling in Southern California. )

Application No. 58671  
(Filed February 13, 1979)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Long Beach. 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.

Applicant requests authority to increase its rates to yield an 8 percent increase in revenue, which would be within the President's wage-price guidelines. 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 were last adjusted pursuant to authority granted by Decision 88961 dated June 13, 1978 in Application 58037.

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, attached to the application, contains revenue and expense data for the test year ended December 31, 1978 together with adjustments to reflect the proposed increase in revenue should the application be granted. The exhibit discloses that during

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the test year applicant sustained a loss of \$6,330 and an operating ratio of 104.3 percent. Had the sought rates been in effect during the test year, applicant would have realized a profit of \$30,000 and an operating ratio of 95 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 88961 dated June 13, 1978, in Application 58037.
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 \$36,330 and an operating ratio of 95 percent.
4. The proposed increases in applicant's rates and charges have 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. Redway Truck & Warehouse Company is authorized to establish the increased rates proposed in Application 58671. 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 10<sup>th</sup> day of APRIL, 1979.

John E. Bryson  
President  
Thomas L. Sturgeon  
Robert D. Gault  
Alfred T. Bickel  
Samuel M. Jones  
Commissioners