

ORIGINAL

Decision No. 90252 APR 24 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of United California Express and )  
Storage Co., a corporation, )  
doing business as U.C. Express & )  
Storage Co., for an increase in )  
rates. )

Application No. 58731  
(Filed March 9, 1979)

OPINION AND ORDER

United California Express and Storage Co., a corporation, doing business as U.C. Express & Storage Co., is a public utility warehouseman for the storage of general commodities at Oakland and Hayward. The rates, rules and regulations governing applicant's operations are contained in California Warehouse Tariff Bureau Warehouse Tariff No. 48-A, Cal. P.U.C. No. 253.

Applicant requests authority to cancel its participation in the above tariff and to concurrently publish its rules, rates and charges in its own Warehouse Tariff No. 1, Cal. P.U.C. No. 1. This new tariff will contain various increases in rates and charges for storage and warehouse services. The requested rate increase has been determined by applicant without consultation 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 83246 dated August 6, 1974, in Application 54589. Therefore, applicant is now seeking an overall increase of 38% in its rates to enable the achievement of a reasonable profit from its operations.

Exhibit B, 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 loss of \$9,272 and an operating ratio of 121.0 percent. Projected results for the above period with expenses revised to reflect current costs with the sought rate increase would result in an operating ratio of 94.8 percent after taxes.

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 83246 dated August 6, 1974, in Application 54589.

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 \$4,835 and an operating ratio of 92.1 percent.

4. If applicant's gross revenue is brought up to the break-even point at the beginning of the year (1979), the increase in rates being sought would yield an 8% increase in gross revenue for this year, before taxes. The net result of the increase in rates is within the Presidential Wage/Price Guidelines.

5. The proposed increases in applicant's rates and charges have been shown to be justified.

6. A public hearing is not necessary.

IT IS ORDERED that:

1. United California Express and Storage Co., a corporation, doing business as U. C. Express & Storage Co. is authorized to establish the increased rates as proposed in Application 58731.

2. United California Express and Storage Co., a corporation, doing business as U. C. Express & Storage Co., is authorized to cancel its participation in the California Warehouse Tariff Bureau Warehouse Tariff No. 48-A, Cal. P.U.C. No. 253.

3. United California Express and Storage Co., a corporation, doing business as U. C. Express & Storage Co., is authorized to

file its Warehouse Tariff No. 1, Cal. P.U.C. No. 1, as set forth in Exhibit A of Application 58731, in accordance with General Order 61-A.

4. 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.

5. The cancellation of applicant's participation in the California Warehouse Tariff Bureau Warehouse Tariff No. 48-A, Cal. P.U.C. No. 253 authorized herein shall be concurrent with the effective date of applicant's Warehouse Tariff No. 1, Cal. P.U.C. No. 1 authorized herein.

6. The authority granted by this order shall expire unless exercised within ninety days after the effective date of this order.

7. 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 24<sup>th</sup> day of APRIL, 1979.

John E. Bayne  
President  
George L. Stinson  
Charles D. French  
Walter J. Peterson  
Arnold J. Perry  
Commissioners