

ORIGINAL

Decision No. 90281 MAY 8 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of SANTA MARIA VALLEY WAREHOUSE)	Application No. 58651
COMPANY OF CALIFORNIA, INC. for)	(Filed February 5, 1979)
an Increase in Rates.)	

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Santa Maria. The rates, rules and regulations governing applicant's operations are contained in California Warehouse Tariff Bureau Warehouse Tariff No. 38-A, Cal. P.U.C. No. 267, of Jack L. Dawson, Agent.

Applicant requests authority to cancel its participation in the above tariff and at the same time publish Santa Maria Valley Warehouse Company of California, Inc. Warehouse Tariff No. 1, Cal. P.U.C. No. 1 in its place and stead. Applicant's revenue is expected to increase if the application is approved. The proposed 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 83368 dated August 27, 1968, in Application 52547.

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 July 31, 1978, 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, applicant had sustained a loss of \$32,948 and an operating ratio of 166 percent. Had the sought rates been in effect during the test year, as modified to reflect increased expenses, applicant would have realized a loss of \$14,643 and an operating ratio of 122 percent. Since the sought rates will still result in unprofitable operations, the President's wage-price guidelines do not apply.

Notice of the proposed increase was sent to each of applicant's storers. The application was listed on the Commission's Daily Calendar of February 6, 1979. No objection to the granting of the application has been received. The effective date of this order should be the date hereof in order to enable applicant to reduce its loss and continue to serve the public.

FINDINGS

1. Applicant's rates were last adjusted by Decision 83368 dated August 27, 1968, in Application 52547.
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 a loss of \$14,643 and an operating ratio of 122 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. Santa Maria Valley Warehouse Company of California, Inc. is authorized to establish the increased rates as specifically proposed in Application 58651. 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 is the date hereof.

Dated at San Francisco, California, this 8th day of MAY 4, 1979.

John E. Byrson
President
William S. Sturgeon

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

Richard D. Gravello
Richard D. Gravello
Commissioners