

Decision No. 90337 MAY 22 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Interamerican Public Distri-)
bution Corporation, seeking)
authority to increase rates for)
its account in Interamerican)
Public Distribution Corporation)
Warehouse Tariff No. 1, Cal.)
P.U.C. No. 1 (Warehouse), and)
Warehouse Tariff No.2, Cal.)
P.U.C. No. 2 (Warehouse), appli-)
cable for storage and handling)
in Southern California.)

Application No. 58777
(Filed April 3, 1979)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Los Angeles. The rates, rules and regulations governing applicant's operations are contained in Interamerican Public Distribution Corporation Warehouse Tariff No. 1 Cal. P.U.C. No. 1 and Warehouse Tariff No. 2, Cal. P.U.C. No. 2.

Applicant proposes to cancel its Warehouse Tariffs Nos. 1 and 2 and issue Tariff No. 3.

Applicant also requests authority to increase its rates and charges for storage and for services other than storage. 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 89150, dated July 25, 1978, in Application 58027.

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 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 sustained a loss of \$7563 and an operating ratio of 100.3 percent. Projected results for the above period with expenses revised to reflect current costs and the proposed rates would result in an operating ratio of 99.85 percent. The increase conforms to the President's wage-price guidelines since a lesser amount would result in extreme hardship.

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 89150 dated July 25, 1978, in Application 58027.

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 will be \$3773, for an operating ratio of 99.85 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. Interamerican Public Distribution Corporation is authorized to establish the increased rates as specifically proposed in Application 58777. 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 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 22nd day of MAY, 1979.

John E. Guyer
President

Wesley L. Stevenson

Richard P. Howell

Stanley P. [Signature]
Commissioners

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