

HEC/FS*

Decision No. 90524

JUL 8 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Pacific Coast Warehouse Cor-)
poration for an Increase in)
Rates.)

Application No. 58847
(Filed May 8, 1979)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Vernon. 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 and Pacific Coast Warehouse Corporation Warehouse Tariff No. 2, Cal. P.U.C. No. 2 (PCWT 2).

Applicant requests authority to increase the surcharge contained in its PCWT 2 tariff. The present surcharge will be increased by 12 percent on rates and charges pertaining to storage and by 18 percent on all other rates and charges.^{1/} The requested increases have been determined by applicant without consultation or agreement with any other warehouseman.

Applicant alleges that its present rates will not yield sufficient revenue to allow it to conduct its warehouse operations at a profit at the current level of expenses.

Applicant's rates were last adjusted pursuant to authority granted by Decision 89154 dated July 25, 1978, in Application 58081.

Applicant further alleges that additional revenue is required because of increased costs in all phases of operation, the most significant being the increased costs of plant and clerical labor.

^{1/} The overall effect of the increases is a revenue increase of approximately 12.9 percent.

A. 58847 - FS*

Exhibit C attached to the application, contains revenue and expense data for the test year ended December 31, 1978 together with adjustments to reflect current costs and the proposed increase in revenue should the application be granted. The exhibit discloses that during the test year applicant realized a profit of \$36,077 and an operating ratio of 98.5 percent. Had the sought rates been in effect during the test year with expenses at the current level, applicant would have realized a profit of \$56,632 and an operating ratio of 98.1 percent. The increases conform to the President's wage-price guidelines since a lesser amount would result in a hardship and service to the public might be jeopardized.

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 89154 dated July 25, 1978, in Application 58081.
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 increases sought herein applicant estimates it will realize additional revenue of \$344,847 and an operating ratio of 98.1 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. Pacific Coast Warehouse Corporation is authorized to establish the increased surcharges proposed in Application 58847. 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 the surcharge 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 3rd day of JULY, 1979.

John E. Byrne
President
Thomas L. Stinson
Richard D. Hoyle
Charles J. DeLoach
Edward C. Quinn
Commissioners