

Decision No. 90565

JUL 17 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of METROPOLITAN DISTRIBUTION)	Application No. 58889
CENTERS, INC. for an Increase)	(Filed May 25, 1979)
in Rates.)	

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 Western Motor Tariff Bureau, Inc., Agent, Warehouse Tariffs Nos. 1 and 2, Cal. P.U.C. Nos. 35 and 36, respectively, and Metropolitan Distribution Centers, Inc. Tariff No. 4 Cal. P.U.C. No. 4.

Applicant requests authority to increase its rates to yield a 10.8 percent increase in revenue. Without the additional revenue, losses would result in undue hardship to applicant and service to the public might be jeopardized. Therefore, the increase qualifies under one of the exceptions to 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 89041 dated June 27, 1978 in Application 58079.

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.

A. 58889 - 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 the proposed increase in revenue should the application be granted. The exhibit discloses that during the test year applicant sustained a loss of \$284,279 and an operating ratio of 106.7 percent. Had the sought rates been in effect during the test year applicant would have realized, after taxes, a profit of \$98,407 and an operating ratio of 97.9 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 89041 dated June 27, 1978, in Application 58079.

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 \$455,438 and an operating ratio of 97.9 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. Metropolitan Distribution Centers, Inc. is authorized to establish the increased rates proposed in Application 58889. 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.

A. 58889 - FS

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 17th day of JULY, 1979.

John E. Byrne
President
Walter L. Stinson
Charles C. Hoyle
Clair J. Smith
Frederick J. Jensen
Commissioners