

JUL 17 1979

Decision No. 90568

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Sacramento Valley Milling)
Company, Inc. for an Increase)
in Rates.)

Application No. 58914
(Filed June 7, 1979)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of agricultural commodities at Ordbend and Williams. 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. 287, Jack Dawson, Agent.

Applicant requests authority to increase its rates to yield a 62 percent increase in revenue and publish these rates in an individual tariff. 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 has experienced operating losses for the past several years and continued losses would result in undue hardship to applicant; therefore, the increases meet the criteria for exception to the President's price guidelines.

Applicant's rates were last adjusted pursuant to authority granted by Decision 83368 dated August 27, 1974, 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 December 31, 1978 together with adjustments to reflect the proposed increase in revenue should the application be granted. The exhibit discloses that during the

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test year applicant sustained a loss of \$37,534 and an operating ratio of 160 percent. Had the sought rates been in effect during the test year applicant would have realized a profit of \$1,271 and an operating ratio of 98.7 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 83368 dated August 27, 1974, 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 additional revenue of \$38,805 and an operating ratio of 98.7 percent.

4. The proposed increase in applicant's rates and charges has been shown to be justified.

5. A public hearing is not necessary.

6. The effective date of this order should be the date hereof since the bean storage season commences the 31st day of July.

IT IS ORDERED that:

1. Sacramento Valley Milling Company is authorized to establish the increased rates proposed in Application 58914. 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 17th day of JULY, 1979.

John E. Boyer
President

Thomas L. Sturgeon

Richard D. Goodale

Clair J. DePaulis

Leonard M. Penning
Commissioners