

Decision No. 90716 AUG 28 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of Patterson Warehouse Co. for an)	Application No. 58961
Increase in Rates.)	(Filed June 27, 1979)

OPINION AND ORDER

Applicant is a California corporation and a public utility warehouseman for the storage of agricultural commodities at Patterson and Vernalis. 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, Jack Dawson, Agent.

Applicant requests authority to increase its rates 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 C, attached to the application, contains revenue and expense data for the test year ended March 31, 1979 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 \$206,850 and an operating ratio of 261 percent. Had the sought rates been in effect during

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the test year applicant would have sustained a loss of \$60,353.50 and an operating ratio of 122 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 except from one storer who did not state any substantial facts to support his protest.

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 \$146,496.50 and an operating ratio of 122 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 of July.

IT IS ORDERED that:

1. Patterson Warehouse Co. is authorized to establish the increased rates proposed in Application 58961. 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 constitutes 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 AUG 28 1979, at San Francisco, California.

John E. Byrne
President

Vernon L. Stevens

Robert D. Walsh

Lawrence W. Perry
Commissioners

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