

DC/RI

Decision No. 90755

AUG 28 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Russell Truck Company, seek-)
ing authority to increase rates)
for its account in Warehouse)
Tariff 2 Cal. P.U.C. 2, appli-)
cable for storage and handling)
in southern California.)

Application No. 59017
(Filed July 25, 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 Russell Truck Company Warehouse Tariff No. 1, Cal. P.U.C. No. 1.

Applicant requests authority to increase its rates and charges to yield a twenty-two (22) percent increase in revenue. The requested rate increase has been determined by applicant without consultation or agreement with any other warehouseman. Continued losses would result in undue hardship to applicant, therefore, the increase meets the criteria for exception to the President's wage-price guidelines.

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 64976 dated February 19, 1963, in Application 45081.

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 A, attached to the application, contains revenue and expense data for the year ended December 31, 1978 together with adjustments to reflect the proposed increase in revenue should the

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application be granted. The exhibit discloses that during the test year period applicant sustained a loss of \$36,399 and an operating ratio of 116 percent. Had the sought rates been in effect during the test year, applicant would have realized a profit of \$14,172 and an operating ratio of 95 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 64976 dated February 19, 1963, in Application 45081.

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 \$50,571 and an operating ratio of 95 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. Russell Truck Company is authorized to establish the increased rates proposed in Application 59017. 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

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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 AUG 28 1979, at San Francisco, California.

John E. Burns
President

Vernon L. Sturgeon

Robert E. Goodle

Lawrence J. Dennis
Commissioners

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