

Decision No. 31011 NOV 6 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of GIBRALTAR WAREHOUSES, for an)
Increase in Rates.)

Application No. 59161
(Filed September 27, 1979)

OPINION AND ORDER

Applicant is a California corporation and a public utility warehouseman for the storage of general commodities at Union City and San Francisco. The rates, rules and regulations governing applicant's operations are contained in its Warehouse Tariffs Nos. 3 and 7, Cal. P.U.C. Nos. 3 and 7.

Applicant requests authority to increase its rates and charges for storage and for services other than storage to yield a 10 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 85600 dated March 23, 1976, in Application 56072.

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 period from August 1, 1978 to July 31, 1979 together with adjustments to reflect the proposed increase in revenue should the application be granted. The exhibit discloses that during that period applicant sustained a loss of \$18,918 and an operating ratio of 101.2 percent before taxes. Projected results for the above period with expenses revised to reflect current costs without the sought rates would result in an operating ratio of 103 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 85600 dated March 23, 1976 in Application 56072.
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 its profit before taxes will be \$112,662 with an operating ratio of 96.6 percent.
4. The proposed increase in applicant's rates and charges has been shown to be justified.
5. A public hearing is not necessary.

The Commission concludes that the application should be granted as set forth in the ensuing order. In view of the operating expenses, there is an immediate need for rate relief, and the effective date of the order should be the date hereof.

IT IS ORDERED that:

1. Gibraltar Warehouses is authorized to establish the increased rates proposed in Application 59161. 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 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 NOV 6 1979, at San Francisco, California.

John E. Gurnea
President

Vernon L. Struven

Robert D. Lovell

Clair T. DeLoach

Francis W. Gurnea
Commissioners