

HAA/FS

Decision No. 51014 NOV 6 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of ROMEO DRAYAGE & WAREHOUSING)
COMPANY for an increase in Rates.)

Application No. 59171
(Filed October 3, 1979)

OPINION AND ORDER

Applicant is a California corporation and a public utility warehouseman for the storage of general commodities in its warehouse located in San Francisco. The rates, rules and regulations governing applicant's operations are contained in its Warehouse Tariffs Nos. 1 and 2, Cal. P.U.C. Nos. 1 and 2, respectively.

Applicant requests authority to increase its rates by 8.8 percent. The requested rate increase has been determined by applicant without consultation or agreement with any other warehouseman.

Applicant's rates were last adjusted pursuant to authority granted by Decision 87419 dated July 1, 1977 in Application 57219.

Applicant alleges that its present rates do not yield sufficient revenue to allow it to conduct its warehouse operations at a reasonable profit. The 8.8 percent increase in rates is within the President's wage-price guidelines.

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 had a profit of \$9,893 after taxes and an operating ratio of 97.5 percent. Projected results for the above period with expenses revised to reflect current costs without the sought rates would result in an operating ratio of 101.2 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 87419 dated July 1, 1977 in Application 57219.

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 \$34,694 and an operating ratio of 95.1 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. Romeo Drayage & Warehousing Company is authorized to establish the increased rates as proposed in Application 59171. 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.

2. The authority shall expire unless exercised within ninety days after the effective date of this order.

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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 NOV 6 1979, at San Francisco, California.

John E. Bryson
President
Vernon L. Thompson
Charles V. Howell
Clayton T. ...
Lawrence M. ...
Commissioners