

Decision No. 91049 NOV 20 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of CALIFORNIA DISTRIBUTION)
CENTERS, INC. for an Increase in)
Rates.)

Application No. 59134
(Filed September 13, 1979)

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Sacramento. The rates, rules and regulations governing applicant's operations are contained in California Distribution Centers, Inc. Warehouse Tariffs No. 1, Cal. P.U.C. No. 1 and No. 5, Cal. P.U.C. No. 5.

Applicant requests authority to increase its rates and charges by an average of ten percent for storage and for services other than storage. The requested rate increases have been determined by applicant without consultation or agreement with any other warehouseman.

Applicant alleges that its present rates are no longer compensatory due to increased costs of labor, power, taxes and other operating costs.

Applicant's rates were last adjusted pursuant to authority granted by Decision 89039, dated June 27, 1978, in Application 58059.

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 January 1, 1978 to December 31, 1978 together with adjustments to reflect the proposed increase in revenue should the application be granted. The exhibit discloses that during that period applicant realized a

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profit of \$71,959 and an operating ratio of 92.4 percent. Projected results for the above period with expenses revised accordingly to reflect both the current costs and the proposed rates, would result in an operating ratio of 93.6 percent. The increases would provide for less net revenue than what applicant realized in 1978 and conforms to the President's wage-price guidelines.

Notice of the proposed increases were 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 89039 dated June 27, 1978, in Application 58059.
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 will be \$59,331, and an operating ratio of 93.6 percent.
4. The proposed increases in applicant's rates and charges have 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.

IT IS ORDERED that:

1. California Distribution Centers, Inc., a corporation, is authorized to establish the increased rates as specifically proposed in Application 59134. 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.

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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 shall be thirty days after the date hereof.

Dated NOV 20 1979, at San Francisco,
California.

Commissioner Richard D. Cravolle, being necessarily absent, did not participate in the disposition of this proceeding.

John E. Guyon
President

Vernon L. Sturgeon

Clare J. Deibel

Samuel W. Smith
Commissioners