

Decision No. 91053 NOV 20 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of UNION TERMINAL WAREHOUSE, )  
INC., for an Increase in Rates. )

Application No. 59224  
(Filed October 19, 1979)

OPINION AND ORDER

Applicant is a California corporation and a public utility warehouseman for the storage of general commodities at Los Angeles and Vernon. The rates, rules and regulations governing applicant's operations are contained in its Warehouse Tariffs Nos. 7 and 8 Cal. P.U.C. Nos. 7 and 8 respectively.

Applicant requests authority to increase its rates to yield a 10.5 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 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.

Applicant's rates were last adjusted pursuant to authority granted by Decision 88919 dated May 31, 1978, in Application 58021.

Exhibit B, attached to the application, contains revenue and expense data for the period ending 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 sustained a loss of \$148,529 and an operating ratio of 108 percent. Projected results for the above period with expenses revised to reflect current costs with the sought rates would result in an operating ratio of 99.8 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 88919 dated May 31, 1978, in Application 58021.
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 \$4,390 and an operating ratio of 99.8 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.

IT IS ORDERED that:

1. Union Terminal Warehouse, Inc., is authorized to establish the increased rates proposed in Application 59224. 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.

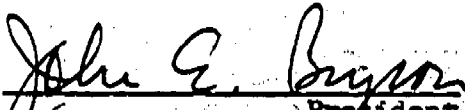
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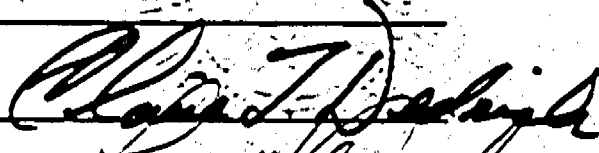

3. The authority granted by this order is subject to the express condition that applicant will never urge before this Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that this opinion and order constitute a finding of fact of the reasonableness 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 20 1979, at San Francisco, California.

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

  
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President

  
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Commissioners