

Decision No. 91087 NOV 30 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of Overland Terminal Warehouse)
Company, seeking authority to)
increase rates for its account in)
Western Motor Tariff Bureau, Inc.,)
Agent, Warehouse Tariff Nos. 1)
and 2 applicable for storage and)
handling in Southern California.)

Application No. 59199
(Filed October 11, 1979)

OPINION AND ORDER

Overland Terminal Warehouse Company (OTW), a corporation, 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 Western Motor Tariff Bureau, Inc., Agent, Warehouse Tariff No. 1, Cal. P.U.C. No. 35 and Warehouse Tariff No. 2, Cal. P.U.C. No. 36.

Applicant requests authority to increase its rates and charges by 21 percent for storage and services other than storage. The requested rate increase has been determined by applicant without consultation or agreement with any other warehouseman. OTW is currently experiencing operating losses and continued losses will result in undue hardship for OTW. The increases meet 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 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 B, attached to the application, contains revenue and expense data for the period January 1, 1979 to June 30, 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 \$55,391 and an operating ratio of 117 percent. Projected results for the above period with revenues projected under proposed rates (expenses in the data are those currently being experienced) would have resulted in an operating ratio of 97.5 percent.

OTW proposes to cancel its participation in Western Motor Tariff Bureau, Inc., Agent, Warehouse Tariff No. 2, Cal. P.U.C. No. 36 (WMTB-2), and in lieu thereof seeks authority to publish and apply rates and charges contained in Overland Terminal Warehouse Company-Warehouse Tariff No. 1, Cal. P.U.C. No. 1 (OTW-1). This new tariff will contain only the items previously utilized by OTW in the WMTB-2 tariff. OTW seeks to apply the increases proposed herein to these tariff items in the proposed tariff.

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 87417 June 1, 1977, in Application 57175.
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 \$75,260 and an operating ratio of 97.5 percent.
4. The proposed increase 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. Overland Terminal Warehouse Company, a corporation, is authorized to establish the increased rates as specifically proposed in Application 59199. 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 one day after the effective date of this order on not less than one day's 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 shall be thirty days after the date hereof.

Dated NOV 30 1979, at San Francisco, California.

John E. Byrne
President
James L. Sturgeon
Richard D. Gravel
Edward T. ...
Commissioners