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Decision No. 91159

DEC 18 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of SAN FRANCISCO WAREHOUSE CO. )  
for an increase in Rates. )

Application No. 59205  
(Filed October 15, 1979)

OPINION AND ORDER

San Francisco Warehouse Company (SFWC), a corporation, is a public utility warehouseman for the storage of general commodities at San Francisco. The rates, rules and regulations governing applicant's operations are contained in SFWC Warehouse Tariffs No. 1, Cal. P.U.C. No. 1 (Series of San Francisco Warehouse Co.) and No. 7, Cal. P.U.C. No. 7.

Applicant requests authority to increase its rates and charges by an average of fifteen percent for storage and handling charges. The requested rate increases have 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 has experienced an operating loss for the year 1978 and continued losses would result in undue hardship to applicant.

Applicant's rates were last adjusted pursuant to authority granted by Decision 89547, dated October 17, 1978, in Application 58356, which authorized a five percent increase.

Exhibit C, attached to the application, contains revenue and expense data for the test year ended December 31, 1978 together with adjustments to reflect the proposed increases in revenue should the application be granted. The exhibit discloses that during the test year applicant sustained a loss of \$866 and an operating ratio of 100.2 percent.

Section 705A-2 of the President's Price Standards provides that an applicant complies with the two-year price limitation if its two-year price change is no greater than (1) the base period price change or (2) nineteen percent, whichever is less. As applicant received a five percent increase in warehouse rates and charges in 1978, the maximum increase presently allowable is fourteen percent under these guidelines.

The Commission staff has recomputed the data in Exhibit C using a fourteen percent increase in the revenue figures for the test year and with current expenses and has determined that applicant would have realized a profit of \$42,360 and an operating ratio of 91.1 percent before taxes.

Notice of the proposed increases 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 89547 dated October 17, 1978, in Application 58356.
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. The proposed increases in applicant's rates and charges have been shown to be justified to the extent that they do not exceed fourteen percent as permitted under the President's wage-price guidelines.
4. A public hearing is not necessary.
5. The effective date of the order should be the date hereof because there is an immediate need for this rate relief.

IT IS ORDERED that:

1. San Francisco Warehouse Company is authorized to establish the increased rates to the extent that they do not exceed fourteen percent as permitted under the President's wage-price guidelines.

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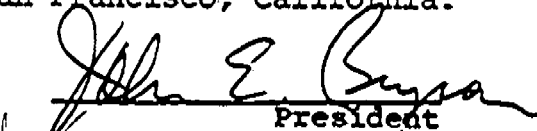


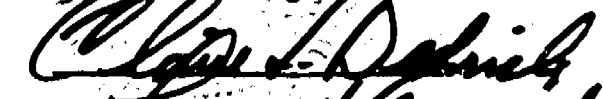

Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

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 DEC 18 1979, at San Francisco, California.

  
President  
  
  
  
  
Commissioners