

HH/BW

Decision No. 91164 DEC 18 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of EMERY WAREHOUSE CO., for an)
Increase in Rates.)

Application No. 59252
(Filed November 2, 1979)

OPINION AND ORDER

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

Applicant alleges that its present rates and charges are insufficient to recover its costs. Applicant requests authority to increase its rates to yield a 30 percent increase in revenue. Without the additional revenue, continued losses would result in an 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 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 86470, dated October 5, 1976, in Application 56669.

Exhibit C, attached to the application, contains revenue and expense data for test year ended July 31, 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 \$45,271 and an operating ratio of 115.3 percent. Projected results for the above period with expenses revised to reflect the current costs and without the proposed rates would result in an estimated operating ratio of 120 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 86470 dated October 5, 1976, in Application 56669.
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 after taxes will be \$19,766 and an operating ratio of 94.9 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. Emery Warehouse Co. is authorized to establish the increased rates proposed in Application 59252. 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.

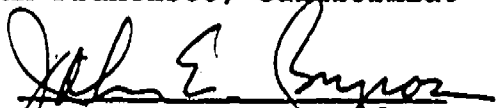




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2. The authority shall expire unless exercised within ninety days after the effective date of this order.

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 DEC 18 1979, at San Francisco, California.


President




Commissioners