

Decision No. 91584 APR 15 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of GRISEZ WAREHOUSE CO., INC., a )  
California corporation, conducting )  
warehouse operations at Crows )  
Landing, California, for Authority )  
to Increase Rates, Establish Tariff )  
and Secure Accounting Procedure )  
Variance. )

Application No. 59422  
(Filed February 1, 1980)  
(Amended March 13, 1980)

OPINION AND ORDER

Applicant Grisez Warehouse Co., Inc., a California corporation (Grisez), is a public utility warehouseman for the storage of agricultural commodities at Crows Landing, Stanislaus County. The rates, rules and regulations governing applicant's operations are contained in California Warehouse Tariff Bureau, Warehouse Tariff No. 38-A, Cal. P.U.C. No. 267, of Jack L. Dawson, Agent.

Applicant alleges that its present rates and charges are insufficient to recover its costs. 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 labor and power.

Applicant's rates were last adjusted pursuant to authority granted by Decision 83368, dated August 27, 1974, in Application 52547. Applicant requests authority to increase its rates to yield an approximate 36 percent increase in revenue.

Applicant also requests authority to cancel its participation in the above tariff and at the same time publish Grisez Warehouse Co., Inc., Warehouse Tariff No. 1 in its place and stead, publishing the sought increases in the latter tariff.

The Commission's staff review of Grisez's financial statements, attached to the application, as amended, reveals that the sought increases appear not to be sufficient to eliminate the

warehouseman's projected continuing losses. However, without the sought additional revenues, the present level of losses would result in an undue hardship to applicant and service to the public might be jeopardized. The requested rate increases have been determined by applicant without consultation or agreement with any other warehouseman.

Exhibit B, attached to the application, as amended, contains revenue and expense data for the test year ended June 30, 1979 together with adjustments to reflect the proposed increases in revenue should the application be granted. The exhibits disclose that during the test year, applicant realized a loss of \$199,323 and an operating ratio of 272 percent. Had the sought rates been in effect during the test year, applicant would have sustained a loss of \$135,251 and an operating ratio of 175.1 percent. Since the sought rates will still result in unprofitable operations, the President's wage-price guidelines do not apply.

Grisez also seeks authorization to continue its current method of fiscal accounting by ending its fiscal year on June 30, and to submit its annual report to the Commission by no later than September 30. Thus, it contends, to "avoid the expense and delay of a costly change in accounting procedures."

Notice of the proposed increases was sent to each of applicant's storers. The application and amendment were listed on the Commission's Daily Calendars of February 6, and March 17, 1980, respectively. No objection to the granting of the application, as amended, has been received. The effective date of this order should be the date hereof in order to enable applicant to reduce its losses and continue to serve the public.

#### Findings

1. Applicant's rates were last adjusted by Decision 83368 dated August 27, 1974, in Application 52547.
2. Since applicant's rates were last adjusted, it has experienced increases in operating expenses, the most significant being the increased cost of labor and power.

3. Under the increases sought herein, applicant estimates it will realize additional revenue of \$64,072 and an operating ratio of 175.1 percent.

4. The proposed increases in applicant's rates and charges have been shown to be justified.

5. The retention of the present accounting procedures with the Commission has been shown to be reasonable and justified.

6. A public hearing is not necessary.

IT IS ORDERED that:

1. Grisez Warehouse Co., Inc., a corporation, is authorized to establish the increased rates and accounting filing procedures as specifically proposed in Application 59422, as amended. 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 ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.

2. The effective date of applicant's tariff publication authorized herein shall be concurrent with the effective date of applicant's cancellation of participation in California Warehouse Tariff Bureau, Warehouse Tariff No. 38-A, Cal. P.U.C. No. 267, Jack L. Dawson, Agent.

3. In complying with Paragraphs 1 and 2 above, applicant shall make tariff filings in compliance with the regulations governing the construction and filing of tariffs as set forth in the Commission's General Order No. 61-Series.

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

5. Nothing in this opinion and order constitutes a finding of fact regarding the reasonableness of any particular rate or charge filed pursuant to this order, and applicant, by reason of this declaration, has no ground to contend to the contrary in any proceeding under Section 734 of the Public Utilities Code or in any other proceeding.

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The Executive Director is directed to cause service of a certified copy of the order to be made upon Grisez Warehouse Co., Inc. or to mail a certified copy thereof to it at its known address as shown in the Commission's records and to mail a copy of this order to California Warehouse Tariff Bureau, Jack L. Dawson, Agent.

The effective date of this order is the date hereof.

Dated APR 15 1930, at San Francisco, California.

President

*Vernon L. Stearns*

*Robert W. Hoyle*

*Clarence T. DeWitt*

*Samuel W. Jones*

Commissioners

Commissioner John E. Bryson,  
being necessarily absent, did  
not participate.