

EAB/FS

Decision No. 91586 APR 15 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application )  
of F & S Distributing Co., Inc., )  
seeking authority to increase )  
rates for its account in F & S )  
Distributing Co., Inc., Warehouse )  
Tariff 1, Cal. P.U.C. 1, and )  
Warehouse Tariff 2, CA PUC 2, )  
applicable for storage and )  
handling in southern California. )

Application No. 59435  
(Filed February 6, 1980)

OPINION AND ORDER

Applicant F & S Distributing Co., Inc., is a California corporation and a public utility warehouseman for the storage of general commodities at Vernon. The rates, rules and regulations governing applicant's operations are contained in F & S Distributing Co., Inc., Warehouse Tariff 1, Cal. P.U.C. 1, and Warehouse Tariff 2, CA PUC 2.

Applicant requests authority to issue the next consecutively numbered supplement to Warehouse Tariff 1 indicating an increase of ten percent (10%) in surcharge form for all rates and charges. The requested rate increase of 10 percent has been determined by applicant without consultation or agreement with any other warehouseman and is within the President's wage-price guidelines.

Applicant alleges that its present rates are no longer compensatory due to increased costs of labor, power, utilities and other operating costs.

Applicant's rates were last adjusted pursuant to authority granted by Decision 90250 dated April 24, 1979 in Application 58720.

Exhibit B, attached to the application, contains revenue and expense data for the test year ending December 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 had a profit of \$12,301 and an operating ratio

of 97.2 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 92.0 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 90250 dated April 24, 1979 in Application 58720.

2. Since applicant's rates were last adjusted, it has experienced increases in operating expenses, the most significant being the increased cost of labor, power and utilities.

3. Under the increase sought herein, applicant estimates its profit after taxes will be \$38,400 and an operating ratio of 92.0 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. F & S Distributing Co., Inc., a corporation, is authorized to establish the increased rates as specifically proposed in Application 59435. 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 the public.

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

