

Decision No. 91550 JUN 17 1980

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )	
of CONTINENTAL WAREHOUSE, INC. )	Application No. 59573
for an Increase in Rates. )	(Filed April 4, 1980)

OPINION AND ORDER

Applicant, Continental Warehouse, Inc., is a California corporation and a public utility warehouseman for the storage of general commodities at Burlingame. The rates, rules and regulations governing applicant's operations are contained in its Warehouse Tariff No. 1, CAL. P.U.C. No. 1.

Applicant requests authority to increase its rates and charges for storage and other than storage by approximately 9.2 percent. The requested rate increase 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 do not yield sufficient revenue to allow it to conduct its warehouse operations at a reasonable 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's rates were last adjusted pursuant to authority granted by Decision 90126 dated March 27, 1979, in Application 58660.

Exhibit C, attached to the application, contains revenue and expense data for the period from January 1, 1979 to 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 realized a profit after taxes of \$6,164 and an operating ratio of 98.4 percent. Projected results

for the above period with expenses revised to reflect current costs with the present rates would result in an operating ratio of 100.6 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 90126 dated March 27, 1979, in Application 58660.
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 \$22,480 and an operating ratio of 94.7 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. Continental Warehouse, Inc. is authorized to establish the increased rates proposed in Application 59573. 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. 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.

The effective date of this order shall be thirty days after the date hereof.

Dated JUN 17 1980, at San Francisco, California.

John E. Byron  
President  
Vernon L. Sturgeon

Clair J. DeWight  
Richard D. Gravelle  
Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.