

Decision No. 91997

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of METROPOLITAN DISTRIBUTION)	Application No. 59604
CENTERS, INC. for an Increase)	(Filed April 22, 1980)
in Rates.)	

OPINION AND ORDER

Applicant is a public utility warehouseman for the storage of general commodities at Los Angeles. The rates, rules and regulations governing applicant's operations are contained in Western Motor Tariff Bureau, Inc., Agent, Warehouse Tariffs Nos. 1 and 2, Cal. P.U.C. Nos. 35 and 36, respectively, and Metropolitan Distribution Centers, Inc. Tariff No. 6, Cal. P.U.C. No. 6.

Applicant requests authority to increase its rates to yield a 14.5 percent increase in revenue. Without the additional revenue, losses would result in 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 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's rates were last adjusted pursuant to authority granted by Decision 90565 dated July 17, 1979 in Application 58889.

A. 59604 - T/RI

Exhibit C, attached to the application, contains revenue and expense data for the test year ended December 31, 1979 together with adjustments to reflect the proposed increase in revenue should the application be granted. The exhibit discloses that during the test year applicant sustained a loss of \$219,237 and an operating ratio of 105.0 percent. Had the sought rates been in effect during the test year applicant would have realized, after taxes, a profit of \$196,191 and an operating ratio of 96.3 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. The effective date of this order should be the date hereof because there is an immediate need for this rate relief.

FINDINGS

1. Applicant's rates were last adjusted by Decision 90565 dated July 17, 1979 in Application 58889.
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 it will realize additional revenue of \$932,533 and an operating ratio of 96.3 percent.
4. The proposed increases in applicant's rates and charges have been shown to be justified.
5. A public hearing is not necessary.

IT IS ORDERED that:

1. Metropolitan Distribution Centers, Inc. is authorized to establish the increased rates proposed in Application 59604. 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.

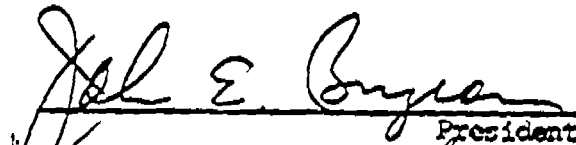
A. 59604 - T/RI

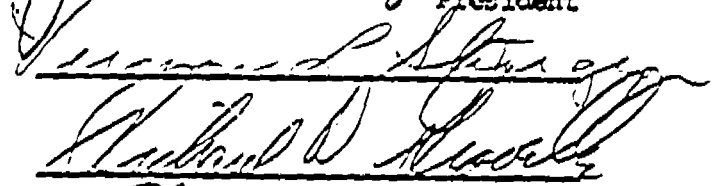
2. The authority shall expire unless exercised within ninety days after the effective date of this order.

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.

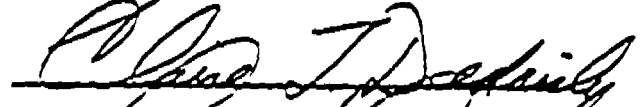
The effective date of this order is the date hereof.

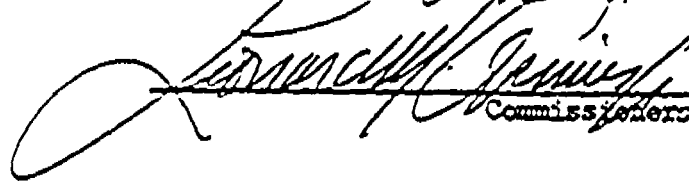
Dated April 2 1990, at San Francisco, California.


President








Commissioners