

A. 59653 - T/HEC/FS

Decision No. 92005 JUL 2 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of California Distribution) Application No. 59653
Centers, Inc. for an increase) (Filed May 15, 1980)
in rates.)

OPINION AND ORDER

Applicant, California Distribution Centers, Inc., is a California corporation and a public utility warehouseman for the storage of general commodities at West Sacramento. The rates, rules and regulations governing applicant's operations are contained in California Distribution Centers, Inc. Warehouse Tariffs Nos. 1 and 6, CAL. P.U.C. Nos. 1 and 6, respectively.

Applicant alleges that its present rates are no longer compensatory due to increased costs of labor, power and other operating costs and do not yield sufficient revenue to allow it to continue to conduct its warehouse operations at a reasonable profit.

Applicant requests authority to increase its rates and charges by an average of 9.5 percent for storage and for services other than storage. The requested rate increases have been determined by applicant without consultation or agreement with any other warehouseman and are within the President's wage-price guidelines.

Applicant's rates were last adjusted pursuant to authority granted by Decision 91049, dated November 20, 1979 in Application 59134.

Exhibit C, attached to the application, contains revenue and expense data for the period 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

the period applicant realized a profit after taxes of \$43,198 and an operating ratio of 96.2 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 103.6 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 91049, dated November 20, 1979 in Application 59134.

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 \$40,512 and an operating ratio of 97 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. California Distribution Centers, Inc., a corporation, is authorized to establish the increased rates proposed in Application 59653. Tariff publications authorized to be made as 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. 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 proceeding.

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

Dated: JUL 2 1980, at San Francisco, California.

John E. Canyon
President

William L. Peterson

Michael D. Kivela

Charles T. Hedrick

Donald C. Jensen
Commissioners