

Decision No. 9186

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application
of E.L. McCONNELL'S VALLEY & COAST
TRUCK LINE to increase freight
rates - San Luis Obispo - San
Miguel and intermediate points.)

Application No. 6867.

S. V. Wright, for Applicant.

BY THE COMMISSION:

O P I N I O N

A public hearing upon the above application to increase freight truck rates between San Miguel, Paso Robles, San Luis Obispo, Santa Maria, Orcutt and intermediate points, was held by Examiner Westover at San Luis Obispo.

Applicant placed in evidence detailed statement of receipts and disbursements for the year 1920, including in gross receipts an item of gas discounts of \$83.87, and rent received for garage space, \$250. The statement, summarized, including 20% depreciation, as claimed, applied to the cost of equipment, is as follows:

<u>Operating Revenue and Expenses, Year 1920,</u>	
Receipts - - - - -	\$17,307.27
Operating expenses, including manager's salary - - - - -	\$14,232.81
Depreciation, 20%, on equipment costing \$15,390. - - - - -	<u>3,080.00</u> 17,312.81
Deficit for year 1920 - - - - -	\$5.54

It appears from the testimony, however, that there has been a reduction in the cost of tires used by applicant amounting to about 12% and in the cost of gasoline and oil amounting to about 7%. If these reduced prices had been in effect during 1920 it would have reduced operating expenses in the amount of \$262.29, converting the deficit of \$5.54 into an operating profit of \$256.75, available for return upon a

rate base of \$15,290, which includes \$500 for working capital.

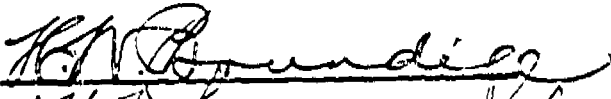
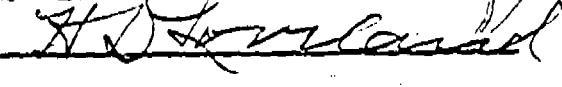
Applicant testified that his proposed new tariff he estimated would increase his revenue about 10% through increase in the first three class rates, but that no increase is provided for fourth class freight. About seventy-five percent of applicant's traffic moves under third class rates. Examiner Westover required at the hearing that applicant prepare and submit a traffic check of the last ten business days in May, 1921, roughly estimated by applicant to be a period of average business. This shows total revenue for the ten days of \$803.75, and that the proposed new rates, applied to the same traffic, would have increased the revenue \$78.90, an increase of about 9½%. The increased rates requested appear to be justified.

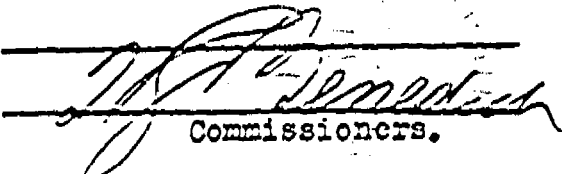
O R D E R

A public hearing having been held upon the above entitled application, the matter being submitted and ready for decision,

IT IS HEREBY ORDERED that E. L. McConnell, doing business under the name of E. L. McConnell's Valley & Coast Truck Line, be, and he hereby is authorized to file and make effective, and thereafter charge and collect the rates shown under his proposed express and freight tariff No. Four, cancelling his C.R.C. Number Three.

Dated at San Francisco, California, this 30th day of June, 1921.


Commissioners.