

ORIGINAL

Decision No. 50494

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 RODNEY M. ADDCOX, doing business as)
 SANTA BARBARA SPECIAL DELIVERY, for)
 authority to increase rates for the)
 transportation of motion picture)
 film and motion picture theater)
 accessories and supplies.)

Application No. 35450

Arlo D. Poe, for applicant.
Rudolph Lubich, Senior Transportation
 Engineer, and Leonard Diamond,
 Associate Transportation Rate Expert,
 for the Commission.

O P I N I O N

Rodney M. Addcox, an individual, doing business as Santa Barbara Special Delivery, is now engaged in the business of transporting, as a highway common carrier, motion picture film, theater accessories and supplies between Los Angeles and various points in Southern California, and as far north as Atascadero. He also performs a similar service as city carrier and contract carrier.

By this application, as amended, authority is sought to increase rates in his Local Freight Tariff No. 5-B, Cal. P.U.C. No. 3, as follows:

Accessorial Charge	Present		Proposed	
	\$1.25/Man-hour--Min. 50¢		\$3.00/Man-hour--Min. \$1.50	
Between Los Angeles and:	Rate Per Change of Films as Defined in Item 5 (in dollars)		Minimum Charge Per Week (See Item 15) (in dollars)	
	Present	Proposed	Present	Proposed
Burbank	\$1.40	\$2.50	\$4.48	\$7.50
No. Hollywood	1.40	2.59	4.48	7.50
Canoga Park	2.24	2.66	6.72	8.00
Fillmore	2.80	3.20	8.96	9.60
Oxnard	2.52	2.80	7.84	8.40
Santa Paula	3.08	3.40	9.52	10.20
Ventura	3.64	3.90	10.92	11.70
Santa Barbara	4.09	4.40	12.32	13.20

MOTION PICTURE FILMS,
MOTION PICTURE THEATER ACCESSORIES AND SUPPLIES, viz.:
Advertising Matter, Crayons (water or oil colors), Brushes,
Poster Paper, Display Cards, Electric Lighting Effects
(including globes, bulbs and reflectors), Tickets (in rolls),
Ticket Choppers, and Motion Projection Machinery and Parts.

Between Los Angeles and:	Rates Per Change of Films as Defined in Item 5 (in dollars)		Minimum Charge Per Week (See Item 15) (in dollars)	
	Present	Proposed	Present	Proposed
Goleta (new)	-	\$4.40	-	\$13.20
Arroyo Grande	\$6.60	7.00	\$19.80	21.00
Atascadero	7.00	7.65	20.00	23.00
Camp Cooke	6.60	7.30	20.90	21.85
Guadalupe	8.10	8.40	24.20	25.30
Lompoc	6.60	7.30	20.90	21.85
Morro Bay	8.00	8.40	22.00	25.30
Pismo Beach	6.60	7.00	19.80	21.00
San Luis Obispo	6.60	7.00	-	21.00
Santa Maria	6.60	7.00	19.25	21.00

Increased rates in varying percentages will result from the proposed charges. Applicant states that the proposed increases will provide necessary revenue and will result in a just, reasonable and nondiscriminatory rate structure; that rates have not been changed substantially since 1946 whereas operating costs have increased materially, particularly the cost of labor, fuel, insurance, parts, supplies and taxes; and that present rates are unreasonably low.

A public hearing was held in Los Angeles before Examiner Mark V. Chiesa. Oral and documentary evidence having been adduced, the matter was submitted for decision.

The record shows that applicant's actual results of operation for the entire highway common carrier and permitted carrier operations for the year ending December 31, 1953, were as follows:

Total Revenue	\$42,338.86
Total Operating Expense	42,097.74
Net Income	241.12
Operating Ratio After Income Taxes	99.5%

Applicant's estimated results of operation for a calendar year, and a Commission engineer's estimated results of operation for a 12-month period ending June 30, 1955, giving effect to the proposed rates, are as follows:

	<u>Applicant</u>	<u>Commission Staff</u>
<u>Operating Revenue</u>		
Total Revenue	\$48,832.31	\$44,450.00
<u>Operating Expenses</u>		
Repairs, Servicing, Tires and Tubes	2,522.89	5,385.00
Drivers' and Helpers' Wages	18,590.00	17,880.00
Gasoline and Oil	4,238.49	3,810.00
Other Transportation Expense	-	35.00
Station and Terminal	780.00	-
Tariff, Traffic, and Advertising	525.95	130.00
Insurance, Injuries and Damages	1,801.95	1,260.00
Workmen's Compensation	-	525.00
Office Salaries and Expenses	10,682.84	7,170.00
Depreciation Expense	2,598.92	1,840.00
Operating Taxes and Licenses	3,754.42	3,600.00
Operating Rents	-	780.00
Total Operating Expenses	\$45,495.46	\$42,415.00
Operating Ratio	93.2%	95.4%
Net Operating Income	\$ 3,336.85	\$ 2,035.00
State and Federal Income Taxes	<u>720.14*</u>	<u>425.00</u>
Net Income or Loss	\$ 2,616.71*	\$ 1,610.00
Operating Ratio After Income Taxes	94.6% *	96.4%

*Commission staff figure.

Applicant's estimate is the result of various adjustments as explained in Exhibit "G" filed with the application. The staff engineer's estimates are based on a complete two months' current record of the total number of theaters served, the number of minimum changes and the additional successive changes for each theater, as well as a three months' current record of all theater freight transported, and the round-trip mileage for each of the four system routes together with the annual number of trips to be made over each route.

Applicant presented data for the entire operations only, whereas the staff report shows estimated results of operation for said rate year for the highway common carrier operation and also the entire system operation. The staff figures show that the system operation under present rates would result in loss of \$3,620 with an operating ratio of 109.4 per cent, and that the highway common carrier operation alone would show a loss of \$3,435 with an operating ratio of 112.6 per cent. The highway common carrier operation, giving effect to proposed rates, would show a profit of \$860 with an operating ratio of 97.3 per cent, compared to the system results of \$1,610 and operating ratio of 96.4 per cent.

It is apparent that additional revenue is needed, and the Commission, having considered the facts and circumstances of record, is of the opinion and finds that the proposed rates and charges are justified. The application will be granted as hereinafter set forth. Applicant's request to establish the proposed increase on less than statutory notice appears to be reasonable and will also be granted.

In granting the proposed increase in rates, the Commission does not make a finding of fact as to the reasonableness of any particular rate or charge.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises and having found as hereinabove set forth, makes its order as follows:

(1) That Rodney M. Addcox, an individual, doing business as Santa Barbara Special Delivery, be and he hereby is authorized to establish, on not less than five days' notice to the Commission and to the public, an increase in the rates and charges published in his Local Freight Tariff No. 5-B, Cal.P.U.C. No. 3, as proposed in the application, as amended, filed in this proceeding.

(2) That the authority herein granted is subject to the express condition that applicant will never urge before this Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that the opinion and order herein constitute a finding of fact of the reasonableness of any particular rate or charge, and that the filing of rates and charges pursuant to the authority herein granted will be construed as consent to this condition.

(3) That the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 31st day of August, 1954.

[Signature]
President
[Signature]
[Signature]
Commissioners

JUSTUS F. CRAEMER
necessarily absent, did not participate in the disposition of this proceeding.