

Decision No. 51745**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SPECIAL SERVICE TRANSPORTATION) Application No. 36942
 CORPORATION, LTD., a corporation,)
 for authority to increase its rates.)

OPINION AND ORDER

Applicant is a California corporation engaged in the transportation of motion picture film and accessories between Los Angeles, Bakersfield, Mojave and certain other points. It also transports motion picture film, accessories and newspapers as a contract carrier. By this application it seeks authority to effect a nine-percent increase in the rates for its common carrier services on five days' notice to the Commission and to the public.¹

Applicant alleges that its common carrier services are resulting in losses as indicated by the following report covering its operations for the year ended March 31, 1955:

Operating Revenues	\$27,899
Operating Expenses	<u>30,382</u>
Net Operating Loss	\$ 2,483

It attributes its losses to increased operating costs which it assertedly has experienced during the past several years. It states that these increased costs are the same as those which were found by the Commission to justify increases in the minimum rates set forth in Minimum Rate Tariff No. 2, which increases were

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Applicant's present rates and the increased rates which it seeks to establish are set forth in detail in Exhibits "A" and "B" of the application.

established by Decision No. 48189, dated January 19, 1953, in Case No. 4808.²

The Commission's engineering staff has analyzed the financial results of applicant's operations. According to the staff's report, applicant's records of its common and contract operations are kept on a consolidated basis. Various segregations and allocations had to be made to reach a determination of the operating results of the separate services. The figures which the staff thus developed for the 12 months ending with March 31, 1955, are as follows:

	Highway Common Carrier Operations	Common and Contract Carrier Operations Combined
Operating Revenues		
Common Carrier	\$25,950	\$25,950
Contract and other		60,474
Total Revenues		<u>\$86,424</u>
Operating Expenses	<u>29,815</u>	<u>80,757</u>
Net Operating Revenues	\$(<u>3,865</u>)	\$ 5,667
Other Expenses	-	<u>1,447</u>
Net Ordinary Income	\$(<u>3,865</u>)	\$ 4,220
Federal and State Income Taxes \$	25	\$ 1,384
Net Income	\$(<u>3,890</u>)	\$ 2,836
Rate Base		\$28,640
Rate of Return		9.9%
Operating Ratio	115.0%	96.7%

() - Indicates Loss

On the basis of the foregoing data it appears that establishment of the sought rate increases will result in a revenue increase of less than \$2,500 annually. Even with the higher rates in effect, it appears that applicant's common carrier services will

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By Decision No. 48189 a nine-percent surcharge was incorporated with certain modifications in the rates in Minimum Rate Tariff No. 2. The surcharge was first established by Decision No. 47245, dated June 9, 1952. Decision No. 48189, and the earlier decision as well, authorized highway common carriers to make corresponding increases in their class rates for commodities not subject to the minimum rates. Applicant was not able to avail itself of this authority, however, for its rates were and are published as commodity rates.

continue to result in losses. The sought rates should be authorized in order that the losses may be minimized. In the circumstances it is concluded, and the Commission finds, that the sought rates have been shown to be justified. The application will be granted.

Applicant states that it has discussed the sought increases with its patrons who would be affected thereby and has received no objections thereto. Public hearing of the matter is not necessary.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Special Service Transportation Corporation, Ltd., be and it hereby is authorized to establish, on not less than five days' notice to the Commission and to the public, increased rates as set forth in Exhibit "B" attached to and part of the above-numbered application in this proceeding.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire if not 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 26th day of July, 1955.

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~~Secretary,
Public Utilities Commission
of the State of California.~~

Justus J. Casner
Paul W. Tuttle
Marion J. Dooly
B. P. Kutzko
Commissioners