

Decision No. 66274**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation )  
 into the rates, rules, regulations, )  
 charges, allowances and practices )  
 of all common carriers, highway )  
 carriers and city carriers relating )  
 to the transportation of any and )  
 all commodities between and within )  
 all points and places in the State )  
 of California (including, but not )  
 limited to, transportation for )  
 which rates are provided in Minimum )  
 Rate Tariff No. 2).

Case No. 5432  
 Petition for Modification No. 301  
 (Filed June 10, 1963)  
 (Amended September 17, 1963)

Handler and Baker by Daniel W. Baker, for  
 A & B Garment Delivery of San Francisco;  
 petitioner.  
C. D. Gilbert, A. D. Poe and J. K. Quintrall,  
 for California Trucking Association;  
 interested party.  
Robert Carberry and John F. Specht, for the  
 Commission staff.

O P I N I O N

This petition was heard and submitted September 17, 1963,  
 before Examiner Thompson at San Francisco.

By the petition, as amended at the hearing, A & B Garment  
 Delivery of San Francisco, a corporation engaged in the transporta-  
 tion of property as a highway common carrier, seeks authority to  
 increase certain of its rates published in Pacific Motor Tariff  
 Bureau Tariff No. 3-A applicable to the transportation of garments  
 when tendered on hangers in bags. No other changes in the rates  
 are sought herein. The rates here involved are contained in Items  
 Nos. 750.1 and 2048 of PMTB Tariff No. 3-A and, briefly stated,  
 the applicant seeks authority to increase the present rates of

25 cents per bag plus 3, 3½ and 4 cents per pound for transportation in various zones by 3 cents per bag plus ½ cent per pound and to increase the present minimum charge from \$2.00 to \$2.50. There are no protests.

Applicant's general manager testified that applicant negotiated a new wage agreement with its drivers which calls for increases in wage rates and in fringe benefits effective July 1, 1963. He testified concerning changes in other circumstances which have resulted in increases and in reductions in certain other expenses.

An accountant engaged by applicant prepared and presented a number of exhibits showing the financial condition of applicant and showing comparisons of revenues and expenses for certain periods in 1962 and 1963. He also presented estimates of the revenues and expenses of conducting operations for a future rate year. The following tabulation shows the revenues and expenses for the year ended April 30, 1963, the estimates of revenues and expenses under the proposed rates projected for a future rate year and the differences.

	<u>Year Ended</u> <u>April 30, 1963</u>	<u>Projected</u> <u>Year</u>	<u>Increase</u> <u>(Decrease)</u>
Total Revenue	\$461,427	\$472,001	\$10,574
Operating Expenses:			
Maintenance	28,338	28,338	-
Transportation	261,280	268,333	7,053
Terminal	37,735	38,016	281
Traffic	4,145	4,145	-
Insurance	16,069	18,041	1,972
Administrative	58,616	59,862	1,246
Taxes and Licenses	24,989	27,627	2,638
Depreciation	18,795	19,700	905
Total Expenses	<u>\$449,967</u>	<u>\$464,062</u>	<u>\$14,095</u>
Net from Operations	\$ 11,460	\$ 7,939	\$(3,521)
Income Taxes	<u>3,441</u>	<u>1,045</u>	<u>(2,396)</u>
Net Income before Interest	\$ 8,019	\$ 6,894	\$(1,125)
Operating Ratio	90.26%	98.54%	

Interest and other income deductions for the year ended April 30, 1963, amounted to \$4,457.

The estimated revenue for the projected year of operations does not include \$156, which would result from the proposed increase in the minimum charge from \$2.00 to \$2.50. There are a few other minor errors and omissions in the estimates of revenues and expenses; however, they have very little effect upon the end result. It is clear that under the present rates applicant would conduct future operations at a loss. The operating results of this carrier under the proposed rates will be reasonable. We find that the increases in rates are justified.

Applicant is presently incurring the increased expenses reflected in the estimates shown hereinabove. We conclude that it should be granted authority to make the proposed rate effective on not less than ten days' notice as requested in the application.

Applicant also requests authority to continue departures from the long- and short-haul provisions of Section 460 of the Public Utilities Code that were authorized by Decision No. 58729, dated July 7, 1959, in Case No. 5432 (Petition for Modification No. 147). The general manager testified that he is not aware of any situations where the proposed rates will result in greater charges for a shorter than for a longer distance over the same route in the same direction. He said, however, that the proposed rates will not change the relationships of rates between the points served so that any long- and short-haul departures that might exist would probably continue under the proposed rates. It appears that any of the circumstances which were investigated by the Commission in 1959 have not changed and will not be changed by the establishment of the proposed rates. We conclude that applicant should be authorized to continue the long- and short-haul departures authorized in Decision No. 58729.

O R D E R

IT IS ORDERED that:

1. A & B Garment Delivery of San Francisco is authorized to establish the increased rates as proposed in Case No. 5432 (Petition for Modification No. 301). Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.

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

3. A & B Garment Delivery of San Francisco, in establishing and maintaining the rates authorized hereinabove, is authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under authority of Decision No. 58729, and schedules containing the rates published under this authority shall make reference to Decision No. 58729 and to this order.

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

Dated San Francisco, California, this 5<sup>th</sup> day of November, 1963.

William L. Beards  
President  
George L. Hoover  
Frederick B. Holtschoff  
Commissioners