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ORIGINAL

Decision No. 72119

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 property in the City and County of San Francisco, and the Counties of Alameda, Contra Costa, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma.

Case No. 5441
Petition for Modification
No. 118
(Filed December 19, 1966)

In the Matter of the Application of DELIVERY SERVICE COMPANY for Authority to Establish certain increased rates applicable to Wholesale and Retail Service between points within the East Bay Drayage Area and points in Alameda, Contra Costa and Solano Counties, and to Wholesale and Retail Service between points within the East Bay Drayage Area and El Cerrito.

Application No. 49034
(Filed December 19, 1966)

OPINION AND ORDER

Delivery Service Company seeks increases in the retail and wholesale parcel delivery rates named in its common carrier tariffs applicable within its Zone 1 (East Bay Drayage Area) and between Carrier's Tariff Zones 1 and 2 (remainder of Alameda, Contra Costa and Solano Counties); and increases in the wholesale parcel delivery rates named in Item 840 of Minimum Rate Tariff No. 1-B (East Bay Drayage Tariff).

The present minimum rates in Item 840 of Minimum Rate Tariff No. 1-B became effective June 26, 1965, and applicant's

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present common carrier rates became effective June 19, 1965. The rates were authorized by Decision No. 69093, dated May 18, 1965, in Case No. 5441, Petition No. 86, and Application No. 47315.

Applicant states that since the effective date of the present rates, the cost of performing transportation services to which said rates are applicable has increased substantially. The direct cost of labor has increased \$0.21 per hour for drivers under existing labor contracts. Indirect cost of labor has also increased \$1.51 per month per driver for health and welfare costs, pension fund payments have increased by 50 percent and increases have also been experienced in social security and unemployment taxes.

Operating statements presented by Delivery Service Company show that for a ten-month period ending October 8, 1966, applicant had revenues of \$426,070 and expenses of \$424,712, resulting in a net operating profit of \$1,358 which, after taxes, produced an operating ratio of 99.8 percent. Applicant also presented a statement reflecting the operating results for the same ten-month period expanded to reflect current operating expenses and proposed increased revenues. A summary of the latter statement is hereinafter set forth:

Operating Revenues	\$453,126
Operating Expenses	438,864
Net Operating Profit	<u>\$ 14,262</u>
Operating Ratio	
Before Income Taxes	96.85%
After Income Taxes	97.63%

In prior proceedings the Commission has found that the minimum rates named in Item 840 of Minimum Rate Tariff No. 1-B should be predicated upon the operations of Delivery Service Company, as

that company is the ratemaking carrier in the local parcel delivery field. The certificate of service shows that copies of the verified application and petition were mailed to various chambers of commerce and the California Trucking Association. The proceedings were listed on the Commission's Daily Calendar of December 20, 1966, and there being no protests, an ex parte order will be issued.

After consideration, we find that the proposed increases are justified; that Delivery Service Company continues to be the ratemaking carrier in the parcel delivery field for services for which rates are provided in Item 840 of Minimum Rate Tariff No. 1-B; and that the minimum rates in the aforesaid tariff item should be adjusted to conform with the rates authorized to petitioner. We further find that the minimum rates which are prescribed in the order herein are the just, reasonable and nondiscriminatory minimum rates for the transportation services to which they apply. This is a matter in which a public hearing is not necessary. The application and petition will be granted.

Good cause appearing,

IT IS ORDERED that:

1. Delivery Service Company is hereby authorized to establish the increased rates set forth in Application No. 49034.

2. Minimum Rate Tariff No. 1-B (Appendix B of Decision No. 65834, as amended) is hereby further amended by incorporating therein, to become effective April 15, 1967, Third Revised Page 43, which page is attached hereto and by this reference made a part hereof.

3. Tariff publications required or authorized to be made by common carriers as a result of the order herein may be made effective not earlier than the tenth day after the effective date of this order, on not less than ten days' notice to the Commission and to the public; such tariff publications as are required shall be made effective not later than April 15, 1967; and as to tariff publications which are authorized but not required, the authority herein granted shall expire unless exercised within sixty days after the effective date hereof.

4. In all other respects, the aforesaid Decision No. 65834, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 7th
day of MARCH, 1967.

[Signature]
President

[Signature]

William Lyness

[Signature]
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

SECTION NO. 3--COMMODITY RATES (Concluded) In cents per 100 pounds, except as noted		Item No.
COMMODITY	RATE	
<p>PARCEL CITY DELIVERY (Wholesale Only) (See Note)</p> <p>Within and between all zones, and applies on packages containing property, weighing not to exceed (1) 40 pounds per package, and only on deliveries from jobbers, wholesalers, industries and retail stores to other jobbers, wholesalers, industries and retail stores.</p> <p>1 to and including 100 packages per week.. Over 100 to and including 400 packages per week.. Over 400 to and including 800 packages per week.. Over 800 packages per week</p> <p>(1) On all packages exceeding 40 pounds in weight, an additional charge of 3 cents per pound shall be made for each pound or fraction thereof in excess of 40 pounds.</p> <p>NOTE.--The above rates are subject to a service charge of 50 cents for each pickup stop made at consignor's place of business.</p>	<p>◊In Cents Per Package</p> <p>76 59 54 52</p>	<p>6840</p>
<p>FREIGHT, REGARDLESS OF CLASSIFICATION, transported within and between all zones:</p> <p>PARCEL DELIVERIES</p> <p>1. The rates and provisions of this item are limited in their application to shipments of general commodities, except articles of unusual value, dangerous articles (Class A and B explosives), household goods, commodities in bulk, and commodities requiring temperature control or special equipment. Each package or article shall be considered as a separate and distinct shipment.</p> <p>2. The provisions of this item will not apply to the transportation of:</p> <p>(a) Any package or article weighing more than 50 pounds or exceeding 108 inches in length and girth combined.</p> <p>(b) Any packages or articles weighing in the aggregate more than 100 pounds from one consignor at one location to one consignee at one location during a single day.</p>	<p>In Cents Per Package</p> <p>19 Plus 3cents for each pound or fraction thereof (See Note)</p>	<p>850</p>

(c) Any package or article when consignor requests delivery on the same day that package or article is picked up at consignor's place of business or delivered to carrier's terminal.

(d) Any shipment between retail stores and their branches or warehouses on the one hand, and on the other hand, the premises of the customers of such stores.

3. Rates and charges in this item shall apply only on prepaid shipments and only where the shipper elects in writing in advance to utilize the rates and charges herein for all packages weighing 50 pounds or less tendered by said shipper to the carrier for delivery during the same calendar week.

NOTE.--In addition to the rates named herein the carrier shall assess a service charge of \$2.00 per week unless all packages or pieces are tendered at carrier's terminal.

∅ Change)
◇ Increase) Decision No. **72119**

EFFECTIVE APRIL 15, 1967

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.

Correction No. 160