

ORIGINAL

Decision No. 74129

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. 136)
(Filed March 8, 1968)

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. 50079
(Filed March 8, 1968)

OPINION AND ORDER

By the above petition and application, Delivery Service Company, a corporation, hereinafter referred to as petitioner, seeks to have the wholesale parcel city delivery rates named in Minimum Rate Tariff No. 1-B increased by approximately 10 percent and to publish, on less-than-statutory notice, similar increases in the retail and wholesale parcel delivery rates in its tariffs for transportation within the East Bay Drayage Area and between points in that area and other points in Alameda County and points in Contra Costa and Solano Counties.

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The proposed rates are set forth in detail in Exhibits A of the petition and application. The current minimum wholesale parcel delivery rates are contained in Item No. 840 of Minimum Rate Tariff No. 1-B. Petitioner's published rates are named in Items Nos. 105 and 75 of its Tariffs Nos. 6 and 8, Cal.P.U.C. Nos. 6 and 8, respectively, and Items Nos. 105 and 115 of its Tariff No. 9, Cal. P.U.C. No. 9.

Petitioner states that, since March 27 and April 15, 1967, the dates that the rates in its tariffs and Minimum Rate Tariff No. 1-B were last respectively increased for the transportation in question, the cost of performing such transportation services has increased substantially. Petitioner declares that the direct cost of labor was increased 9 cents per hour for drivers effective November 1, 1967. According to petitioner, health and welfare payments incurred by the carrier have increased 5 cents per hour per driver and the resulting charges under the social security tax have decreased due to an upward adjustment in the maximum amount of wages that are subject to said tax. Petitioner alleges that the current rates involved are now unreasonably low and are inadequate to produce sufficient revenue to return the current costs of operations and provide a reasonable profit.

Operating statements submitted by petitioner for the calendar year 1967 show that it had revenues of \$604,471 and expenses of \$608,439, resulting in a net operating loss of \$3,968, or an operating ratio of 100.66. Petitioner also furnished a similar statement reflecting operating results for the 12-week period ending January 26, 1968, which were expanded to reflect current operating expenses and increased revenues under the rates proposed herein. A summary of such expenses and anticipated revenues is set forth below:

Operating Revenues -----	\$150,492
Operating Expenses -----	<u>145,932</u>
Net Operating Profit -----	\$ 4,560
Operating Ratio:	
Before Income Taxes -----	96.96%
After Income Taxes -----	97.84%

In prior proceedings the Commission has found that the minimum rates named in Item No. 840 of Minimum Rate Tariff No. 1-B should be predicated upon the operations of Delivery Service Company inasmuch as that company is the rate-making carrier in the local parcel delivery field.

The certificate of service shows that copies of the verified petition and application were mailed to various chambers of commerce and California Trucking Association on March 8, 1968. The petition and application were listed on the Commission's Daily Calendar of March 11, 1968. No objection to the granting of the petition and application has been received.

In the circumstances, it appears, and the Commission finds that the proposed increases in rates are justified; that Delivery Service Company continues to be the rate-making carrier in the parcel delivery field for the services for which rates are provided in Item No. 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 corresponding rates which petitioner is authorized to establish in its own tariff. The Commission further finds 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. A public hearing is not necessary. The Commission concludes that the petition and application should be granted.

IT IS ORDERED that:

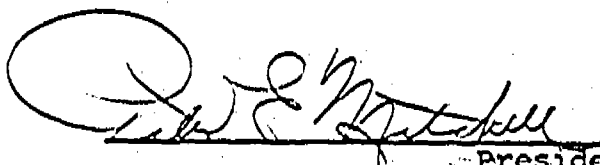
1. Delivery Service Company, a corporation, is hereby authorized to publish and file increased rates as specifically proposed in Exhibit A of Application No. 50079.
2. Minimum Rate Tariff No. 1-B (Appendix B of Decision No. 65834, as amended) is hereby further amended by incorporating therein, to become effective June 29, 1968, Fifth Revised Page 43 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 shall be filed not earlier than the effective date of this order and may

be made effective not earlier than the fifth day after the effective date of this order, on not less than five days' notice to the Commission and to the public; such tariff publications as are required shall be made effective not later than June 29, 1968; and as to the tariff publications which are authorized but not required, the authority herein granted shall expire unless exercised within sixty days after the effective date thereof.

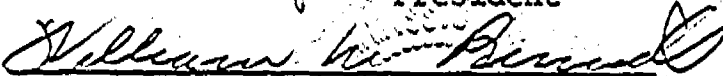
4. In all other respects Decision No. 65834, as amended, shall remain in full force and effect.

This order shall become effective twenty-four days after the date hereof.

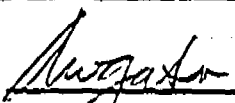
Dated at San Francisco, California, this 21st day of May, 1968.




President



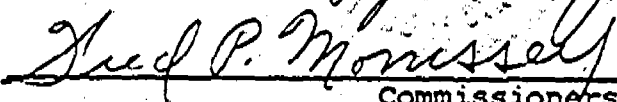
Commissioner



Commissioner



Commissioner



Commissioner

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>84 65 59 57</p>	840
<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>24 Plus 3 cents for each pound or fraction thereof (See Note)</p>	850

(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.

Ø Change) Decision No. 74129
◊ Increase)

EFFECTIVE JUNE 29, 1968

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 189