

ORIGINAL

Decision 84 05 024 MAY 2 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SMITH TRANSPORTATION COMPANY for)
 authority to increase rates in)
 Tariffs, of which this Carrier is)
 party thereto, for this Carrier's)
 participation only, namely Western)
 Motor Tariff Bureau Tariff Nos. E.S.)
 1-B, 11, 113, 170, 20-4 SMTC, 273,)
 570-A, and 571, (including reissues)
 thereof) containing rates and)
 charges for this Common Carrier for)
 the transportation of Commodities)
 and the performance of specified)
 services related thereto.)

Application 83-10-34
 (Filed October 20, 1983)

-And-

For authority to depart from the)
 terms of Section 454 and 491 of the)
 Public Utilities Code when)
 accomplishing such publication.)

O P I N I O N

Smith Transportation Company, a California Corporation
 (Smith), requests authority to increase its rates for the transpor-
 tation of general commodities by ten percent. The rates subject to
 the proposed increase are published by Western Motor Tariff Bureau,
 Inc., Agent (WMTB) in the following WMTB tariffs:

- Exception Sheet 1-B, Cal PUC No. 34;
- Tariff 11, Cal PUC 5;
- Tariff 113, Cal PUC 19;
- Tariff WMT-170, Cal PUC 51;
- Tariff 20-4 SMTC, Cal PUC 83;
- Tariff WMT 273, Cal PUC 53;
- Tariff WMT 570-A, Cal PUC 85; and
- Tariff WMT 571, Cal PUC 49.

Agenda clerk

5/2/84

Smith was a participant in the five percent general rate increase, Application (A.) 83-06-12 filed by WMTB for all bureau carriers. Smith has advised the Commission staff by letters that:

- "1. It is not our intent to request 10% in addition to the 5% on file by the WMT Bureau. If that 5% is granted, our request would be reduced accordingly.
2. It is not our intent to give up any portion of the previous increases granted by the PUC and referred to in your letter, inasmuch as this "window" created by the PUC provides the flexibility we need to increase where required and reduce where warranted for accounts or traffic lanes where our costs indicate increases or decreases are consistent with good business practices. As stated in our original application, we have the in house ability to determine the feasibility of rate treatment on any individual account instantly.
3. The 10% permissive and selective request, if granted, will be applied to less than truckload only."

Decision (D.) 84-04-080 was issued April 18, 1984 in A.83-06-12. Smith was excluded from that decision since it had filed a separate application for increases on its own behalf.

Smith cites its need for revenue increases to offset increased operating expenses. The most significant of such increases is due to higher labor costs, taxes and insurance.

At the staff's request, Smith has supplied the revenue impact of its authorized but unexercised increase authorities. The potential of these unexercised increase authorities was analyzed

by the staff, as shown in the following table:

	<u>Test Period Ending June 30, 1984</u>	
	<u>Present Rates</u>	<u>Proposed Rates (Estimated)</u>
Revenue (1st 6 months 1983)	\$5,825,376	\$5,825,376
Unapplied increases		41,228
10% Requested		<u>520,015</u>
		6,386,619
Expenses Revised to Reflect Current Costs	6,279,382	6,279,382
Profit (Loss)	(454,006)	102,237
Operating Ratio	107.8	98.3

The operating ratio of 98.3 percent is within the zone of reasonableness.

The application was listed on the Commission's Daily Transportation Calendar of October 25, 1983. No protest to the granting of the application has been received.

The proposal is not a major action significantly affecting energy efficiency within the meaning of the Public Utilities (PU) Code Sections 3502.1 and 3502.2.

Findings of Fact

1. Smith, as a participant in WMTB tariffs, has been authorized permissive general rate increases totaling 21% since October, 1980.

2. WMTB had filed for its tariff participants, including Smith, A.83-06-12 seeking a 5% general rate increase, however, D.84-04-080 of April 18, 1984 in A.83-06-12 excluded Smith from the increases authorized by that decision since it had filed a separate application for increases on its own behalf.

3. Smith by this application is seeking a 10% increase in its less-than-truckload rates in WMTB tariffs.

4. Under the sought 10% increase, Smith estimates that it will realize additional revenue of about \$520,015.

5. The increases resulting from this proposal are justified.

6. Authority to depart from the provisions of PU Code Section 461.5 is justified.

7. The following order has no reasonably foreseeable impact on the energy efficiency of highway common carriers.

8. A public hearing is not necessary.

9. The effective date of this order should be today since there is no reason to delay the increase.

Conclusion of Law

The application should be granted.

O R D E R

IT IS ORDERED that:

1. Smith Transportaion Company is authorized to increase its rates by ten percent except for those rates based on weights greater than 20,000 pounds in the following WMTB tariffs:

Exception Sheet 1-B, Cal PUC No. 34;
Tariff 11, Cal PUC 5;
Tariff 113, Cal PUC, 19
Tariff WMT-170, Cal PUC 51;
Tariff 20-4 SMTC, Cal PUC 83;
Tariff WMT 273, Cal PUC 53;
Tariff WMT 570-A, Cal PUC 85; and
Tariff WMT 571, Cal PUC 49.

2. Tariff publications authorized to be made as a result of this order shall be filed on or after the effective date of this order and may be made effective not earlier than 5 days after the effective date of this order on not less than 5 days' notice to the Commission and to the public.

3. Smith Transportation Company, in establishing and maintaining the rates authorized by this order, is authorized to depart from the provisions of PU Code Section 461.5 to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are modified only to the extent necessary to comply with this

order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

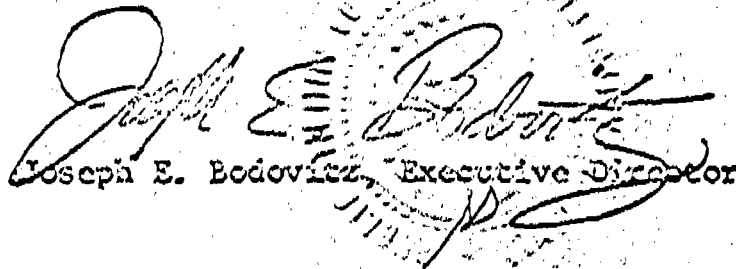
4. The application is granted as set forth above.

This order is effective today.

Dated MAY 2 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. CREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director