

Decision 84 CS 142

JUN 20 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of SYSTEM 99, for authority to in-)
crease rates in Tariffs, of which)
this Carrier is party thereto, for)
this Carrier's participation only,)
namely Western Motor Tariff Bureau)
Tariffs Nos. E.S. 1-B, 11, 106,)
113, 170, 20-4 SSTM, 273, 570-A and)
561 (including reissues thereof))
containing rates and charges for)
this Common Carrier for the trans-)
portation of Commodities and the)
performance of specified services)
related thereto.)

Application 84-01-56
(Filed January 25, 1984)

-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

System 99, a California Corporation, (System), requests authority to increase its rates for the transportation of general commodities by seven 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 106, Cal PUC No. 11;
Tariff 113, Cal PUC 19;
Tariff WMT-170, Cal PUC 51;
Tariff 20-4 SSTM, CA PUC 57;
Tariff WMT 570-A, Cal PUC 85; and
Tariff WMT 571, Cal PUC 49.

By Decision (D.)84-04-080 dated April 18, 1984 in Application (A.)83-06-12 System, along with other participating carriers in WMTB tariffs, was granted increases ranging up to 3-1/2 percent.

System has advised the Commission staff by letter dated April 24, 1984 that:

"Because of the recent decision of the Commission to allow Western Motor to publish increases ranging from 3.5% to 0% we are amending our requested increase to 3.5%.

System 99 has taken all permissive increases on Class Rate Scales AQ, 5,000, 10,000 and 20,000 pounds. We have not taken any increases in the TL Scale of class rates. Because we are predominantly an LTL carrier and the competition for TL traffic is immense, the TL business for System 99 does not represent a great portion of our revenues. If we took any increase in this portion of our business, it would all but disappear. It is for this reason, we will restrict this requested increase to the LTL scales only."

System declares that it needs revenue increases to offset increased operating expenses. The most significant of such increases is due to higher labor costs, taxes and insurance.

System has prepared financial data for the year ending December 31, 1983, setting forth actual revenue and expenses as well as projected results under proposed rates. The proposed revenue includes the sought 3-1/2 percent increase; the 3-1/2 percent increase granted by D.84-04-080; and the revenue impact of its authorized but unexercised increase authorities. From that

data, the staff has prepared a comparison of System's financial position using the present costs being experienced compared with revenue earned in 1983 and with the projected revenue for 1984, including the sought increase.

	<u>Test Period</u>	<u>Ending December 31, 1984</u>
	<u>Present Rates</u>	<u>Proposed Rates</u> (Estimated)
Revenue	\$11,100,219	\$11,465,583
3-1/2% Increase D.84-04-080		378,152
Previous Unapplied Increases		<u>138,862</u> 11,982,597
Expenses	11,539,527	11,539,527
Profit (Loss)	(439,308)	443,070
Operating Ratio	104.0	96.3

The operating ratio of 96.3 percent is within the zone of reasonableness.

System has advised that the proposal is not considered to be a major action significantly affecting energy efficiency within the meaning of Public Utilities (PU) Code Sections 3502.1 and 3502.2.

The application was listed on the Commission's Daily Transportation Calendar of January 31, 1984. No protest to the granting of the application has been received.

Findings of Fact

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

2. System was granted additional increases ranging up to 3-1/2 percent by D.84-04-080 dated April 18, 1984 in A.83-06-12.

3. System by this application is seeking a 3-1/2 % increase in its less-than-truckload rates based on weights from Any Quantity up to and including 20,000 pounds in WMTB tariffs.

4. System estimates that it will realize additional revenue of about \$743,516 by this application for 3-1/2% increase and the 3-1/2% increase authorized by D.84-04-080.

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. System 99 is authorized to increase its rates by 3-1/2% 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 106, Cal PUC No. 11;
Tariff 113, Cal PUC 19;
Tariff WMT-170, Cal PUC 51;
Tariff 20-4 SSIM, CA PUC 57;
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. System-99, 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 JUN 20 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO

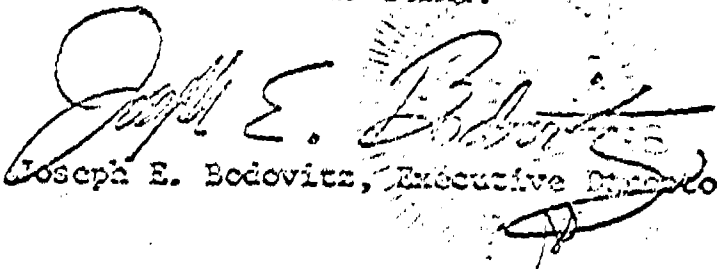
PRISCILLA C. CREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

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


Joseph E. Bodovitz, Executive Director