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Decision 87 10 002 OCT 9 - 1987

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of	)	
Western Motor Tariff Bureau, Inc., for	)	
and on behalf of Sterling Transit Co.,	)	
Inc., seeking authority to increase	)	Application 87-07-007
rates and charges in Western Motor	)	(Filed July 8, 1987)
Tariff Bureau, Inc. Tariffs ES 1-B, 113,	)	
170, 20-4 and 570-A, (including reissues	)	
thereof).	)	

O P I N I O N

Western Motor Tariff Bureau, Inc. (WMT), on behalf of Sterling Transit Co., Inc. (Sterling), seeks authority to increase by 10% the rates and charges of Sterling in the following tariffs (including reissues thereof):

- WMT Exception Sheet 1-B, CA PUC 34
- WMT Local Freight Tariff 113, CA PUC 19
- WMT Rules Tariff 170, CA PUC 51
- Sterling Tariff 20-4 STER, CA PUC 73 1/
- WMT Class Rates Tariff 570-A, CA PUC 85

Sterling increased rates by 3% (insurance) in WMT Tariffs 113, 170 and 570-A, pursuant to authority granted by Decision (D.) 86-05-053, dated May 7, 1986, which was a permissive rate increase granted to all highway common carriers.

1/ Sterling Tariff 20-4 STER was canceled effective September 5, 1987, and rates, rules and regulations were transferred to Sterling Tariff 200, CAL PUC No. 1.

In accordance with Resolution TS-679, Sterling has implemented the mandated 1.2% increase on rates subject to a minimum weight of less than 10,000 pounds and the permissive 0.7% increase on rates subject to a minimum weight of 10,000 pounds or more in WMT Tariffs 113 and 570-A, effective July 14, 1987, and in Sterling Tariff 20-4 STER, effective July 6, 1987.

Sterling has also applied the window rate increase of 5% in WMT Tariffs 170 and 570-A, effective July 23, 1987, under Rule 7.3 of General Order 147-A.

Applicant states that Sterling has experienced increased operating expenses, the most significant being the increased costs of labor and equipment.

Applicant has furnished financial data for the 12-month period ending April 30, 1987, setting forth actual revenue and expenses as well as projected results under the proposed rates. From that data, the staff has prepared a comparison of Sterling's financial position using current costs in conjunction with current and proposed revenue:

	<u>Test Period Ending April 30, 1988</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$16,578,224	\$18,236,046
Current Expenses	17,616,182	17,616,182
Profit (Loss)	(1,037,958)	619,864
Operating Ratio	106.3	96.6

The operating ratio of 96.6 is reasonable.

The application was listed on the Commission's Daily Transportation Calendar of July 17, 1987. No protest to the granting of the application has been received. The application was not filed under authority granted pursuant to Section 496 of the Public Utilities (PU) Code.

Findings of Fact

1. Sterling is seeking a rate increase of 10%.
2. Sterling has experienced an increase in operating expenses.
3. Sterling has exercised the permissive 3% (insurance) rate increase granted by D.86-05-053, dated May 7, 1986.
4. Sterling has implemented the mandated 1.2% increase in rates based on a minimum weight of less than 10,000 pounds and the permissive 0.7% increase in rates based on a minimum weight of 10,000 pounds or more in WMT Tariffs 113 and 570-A, effective July 14, 1987, and in Sterling Tariff 20-4 STER, effective July 6, 1987.
5. The window rate increase of 5% was taken by Sterling in WMT Tariffs 170 and 570-A, effective July 23, 1987, under Rule 7.3 of General Order 147-A.
6. The proposed rates would increase Sterling's annual revenue by approximately \$1,657,822.
7. The increases resulting from this proposal are justified.
8. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. This order should be made effective today, since there is an immediate need for rate relief.

O R D E R

IT IS ORDERED that:

1. Sterling Transit Co., Inc., is authorized to increase its rates and charges by 10% as specifically provided in the body of the opinion.

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. Sterling Transit Co., Inc., 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. This authority shall expire if not exercised within 60 days of the effective date of this order.

5. The application is granted as set forth above.
6. This order is issued pursuant to Section 308 of the Public Utilities Code and Resolution TS-678.

This order is effective today.

Dated OCT 9 - 1987, at San Francisco, California.

*P. J. Tahan*

for NORMAN KELLEY, Director  
Transportation Division

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

*Victor Weisser*

Victor Weisser, Executive Director