

T/LR/cpb

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Decision 88 09 074 SEP 29 1988

[SEP 30 1988]

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 Smiser)
Acquisition Corporation, dba) Application 88-07-016
Smiser Freight Service, seeking) (Filed July 13, 1988)
authority to increase rates and)
charges in Western Motor Tariff)
Bureau, Inc. Tariffs ES-1B, 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 Smiser Freight Service (Smiser), seeks authority to increase by 10% the rates and charges of Smiser in the following WMTB 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
Smiser Tariff 20-4 SMFS, CA PUC 101
WMT Class Rates Tariff 570-A, CA PUC 85

Smiser Freight Service acquired the business and adopted the tariffs of Samjo, Inc. In accordance with Resolution TS-679, Samjo implemented the mandated 1.2% increase on rates and charges not subject to a minimum weight of 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 1-B, 113, 170, 570-A and Smiser Tariff 20-4 SMFS, effective July 14, 1987.

Applicant states that Smiser has experienced increased operating expenses, the most significant being the increased cost of fleet maintenance and new equipment.

Applicant has furnished financial data for the five-month period ending May 31, 1988 (the length of time Smiser has been doing business since the transfer of authority from Samjo), 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 Smiser's financial position using current costs in conjunction with current and proposed revenue.

	<u>Test Period Ending May 31, 1988</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$6,654,211	\$7,319,632
Expenses Revised to Reflect Current Costs	6,998.723	6,998.723
Profit (Loss)	(344,512) 105.2	320,909 96.6

The operating ratio of 96.6 is reasonable.

The application was listed on the Commission's Daily Transportation Calendar of July 18, 1988. 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. Smiser is seeking a rate increase of 10%.
2. Smiser has experienced an increase in operating expenses.
3. Smiser has implemented the mandated 1.2% increase in rates not subject to minimum weights of 10,000 pounds or more and the permissive increase of 0.7% in rates subject to minimum weights of 10,000 pounds or more in Tariff WRRM-200, effective August 30, 1987, in accordance with Resolution TS-679.

4. Smiser estimates that the proposed rates would increase its revenue for a five-month period by \$665,421.
5. The increases resulting from this proposal are justified.
6. 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. Smiser Freight Service 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. Smiser Freight Service, 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.

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4. This authority will 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.

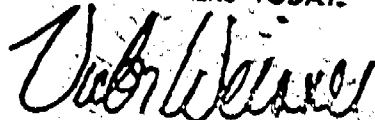
This order is effective today.

Dated SEP 29 1988, at San Francisco, California.



KENNETH K HENDERSON, Director
Transportation Division

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



Victor Weisser, Executive Director

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