

Decision 88 12 067

DEC 19 1988

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
Par Trucking, Inc., a California )  
corporation, for authority to )  
establish a cement carrier rate less )  
than the maximum reasonable rate )  
pursuant to the provisions of )  
Sections 452 and 452.1 of the Public )  
Utilities Code and General Order )  
No. 150-A. )

Application 88-06-025  
(Filed June 17, 1988;  
amended September 12, 1988)

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O P I N I O N

By this application Par Trucking, Inc. (PAR), a cement carrier as defined in § 214.1 of the Public Utilities (PU) Code, requests authority pursuant to PU Code §§ 452, 452.1, and General Order (GO) 150-A to publish a rate less than the rate of competing cement carriers. The proposed rate is 28.11 cents per one hundred pounds, minimum weight 52,000 pounds per unit of equipment, and will apply for the transportation of cement, in bulk, from Victorville to Fontana. The rate and rules surrounding its application, including charges for loading and unloading, will be published in Item 4550 of PAR's Local Freight Tariff No. 1, included as Exhibit A with the application. The PU Code and GO 150-A provisions cited above require that the reduced rate must be fully compensatory based solely upon the cost of transportation from origin to destination and return, and the projected revenue to be derived from the requested rate. PAR presently assesses a rate of 29.61 cents per 100 pounds for this transportation.

The applicant estimates that approximately 25,000 tons of cement per year will move under the proposed rate, generating approximately \$140,550 in revenue. PAR has included with its application a summary of revenues and expenses experienced in connection with a round trip performed at the proposed rate.

Driver labor cost is shown on an hourly basis for total driving time, plus one hour each for loading and unloading. The carrier has developed its costs on the basis of actual miles. Revenue per load earned on this transportation is \$146.17. The hourly labor cost is based upon the current prevailing wage for cement carriers, \$16.38. PAR has used a fixed vehicle cost of 5.4 cents per mile, running costs, including fuel, oil, tires and tubes of 33.9 cents per mile, an indirect (overhead) expense of 12.5%, and total gross revenue expenses, including insurance, of 2.0%. Expenses for the round trip between Victorville and Fontana total \$114.82, resulting in an operating ratio of 79%. A financial statement for the year 1987 indicates that PAR had total operating revenues of about \$8.2 million, and total operating expenses of about \$7.7 million.

Notice of filing of the amended application appeared on the Commission's Daily Transportation Calendar of September 20, 1988. No protest to the amended application has been received. In the circumstances, the amended application should be granted by ex parte action. Rule 7.1 A.(2) of GO 150-A provides that rates for the transportation of cement reduced in accordance with the rule may be authorized for no longer than one year.

Findings of Fact

1. PAR holds authority to operate as a cement carrier, as defined in PU Code § 214.1.
2. PAR requests authority to assess a rate for the transportation of cement, in bulk, from Victorville to Fontana, lower than the rates of competing cement carriers.
3. PU Code §§ 452 and 452.1, and Rule 7.1 A.(2) of GO 150-A provide that whenever a cement carrier requests authority to establish a rate less than the maximum reasonable rate, the Commission shall require a showing that the rate is fully compensatory based solely upon the cost of transportation from

origin to destination and return, and the projected revenue to be derived from the requested rate.

4. The cost data furnished with PAR's amended application indicate that the proposed rate of 28.11 cents per 100 pounds, minimum weight 52,000 pounds, will produce revenue sufficient to allow PAR to perform the round trip between Victorville and Fontana at a cost/rate relationship of about 79%.

5. Rule 7.1 A.(2) of GO 150-A provides that rates reduced under this rule may be authorized for no longer than one year.

Conclusions of Law

1. The application, as amended, should be granted for one year.

2. Since there is an immediate opportunity for rate relief, and no protest to the request has been received, this decision should be effective today.

ORDER

IT IS ORDERED that:

1. Par Trucking, Inc. is authorized to publish, on five days' notice to the Commission and the public, the rate of 28.11 cents per 100 pounds, and the rules and charges applicable in connection with the rate as shown in Item 4550 of Par Trucking, Inc. Local Freight Tariff No. 11, contained in Exhibit A to this amended application.

2. The authority granted by this decision shall expire one year after the effective date of the authorized rate.

This order is effective today.

Dated DEC 19 1988, at San Francisco, California.

STANLEY W. HULETT  
President

DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

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



Victor Weisser, Executive Director

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