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Decision 88-12-104 DEC 22 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CAL-WEST TARIFF)
 BUREAU, INC., Roy Miller Freight)
 Lines, Inc., to publish provisions)
 resulting in an increase to rates)
 and charges for transportation)
 over specific lanes of traffic,)
) and)
 for authority to depart from the)
 provisions of section 454, 461.5)
 and 491 of the Public Utilities)
 Code when publishing said)
 increases)

Application 88-09-037
(Filed September 15, 1988)

O P I N I O N

Cal-West Tariff Bureau, Inc. (CWTB), on behalf of Roy Miller Freight Lines, Inc. (Miller), seeks authority for Miller to increase class rates by 14% in tariffs published by CWTB for transportation destined to points along U.S. Highway 395 from Interstate Highway 15 North to Topaz including points in Eastern Kern County, Barstow, Victorville, Inyo County, Mono County, Truckee, Lake Tahoe Basin (California), Lancaster and Palmdale. Miller has recently acquired new business along this route which is a new lane of traffic not presently served by the carrier. The proposed increase will be applied to the rates in the following tariffs:

CWTB Vehicle Unit Rates Tariff No. 100, CAL. P.U.C. No. 1
CWTB Governing Rules Tariff No. 300, CAL. P.U.C. No. 3
CWTB Local Freight Tariff No. 16, CAL. P.U.C. No. 16
CWTB Local Freight Tariff No. 17, CAL. P.U.C. No. 17
CWTB Local Freight and Express Tariff No. 19, CAL. P.U.C.
No. 19
CWTB General Commodity Rate Tariff No. 21, CAL. P.U.C.
No. 21
CWTB Class and Exception Ratings Tariff No. 22, CAL.
P.U.C. No. 22
CWTB Class Rate Tariff No. 26, CAL. P.U.C. No. 26
Miller Freight Tariff No. 1, CAL. P.U.C. No. 1

Miller has conducted a recent study to determine the possibilities of obtaining backhauls for the above movements and has determined that with its limited sales staff, and due to vehicle fleet limitations, the acquisition of any backhaul from points along said route will be difficult.

By letter dated November 14, 1988, CWTB submitted additional information to clarify the projected financial results of the carrier's operation for the 12-month test period ending December 31, 1988. Applicant states that Miller projects only a 2% increase in its annual gross revenue because the proposed 14% rate increase has very limited territorial application. Further, Miller believes that revision of expenses from the 1987 financial statement to reflect costs during the test period ending December 31, 1988, would produce irrelevant estimates when projecting the financial results under this proposal. Applicant has furnished revised financial data under the proposed rates. From that data, the staff has prepared a comparison of Miller's financial position using current costs in conjunction with current and proposed revenues:

	<u>Test Period Ending December 31, 1988</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$5,086,428	\$5,188,157
Expenses	5,070,270	5,070,270
Profit	16,158	117,887
Operating Ratio	99.7	97.7

The application was listed on the Commission's Daily Transportation Calendar of September 23, 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 Code.

Findings of Fact

1. Miller is seeking a 14% increase in its rates and charges in CWTB Tariffs Nos. 100, 300, 16, 17, 19, 21, 22 and 26 and Miller's Tariff No. 26 for transportation destined to points along U.S. Highway 395 from Interstate Highway 15 North to Topaz including points in Eastern Kern County, Barstow, Victorville, Inyo County, Mono County, Truckee, Lake Tahoe Basin (California), Lancaster and Palmdale.

2. The proposed rates would increase Miller's annual gross revenue by approximately 2% or \$101,729.

3. The increases resulting from this proposal are justified.

4. 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.

ORDER

IT IS ORDERED that:

1. Roy Miller Freight Lines, Inc. is authorized to increase certain rates and charges by 14% as specifically set forth 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. Roy Miller Freight Lines, Inc., in establishing and maintaining the rates authorized by this order, is authorized to depart from the provisions of Public Utilities 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 DEC 22 1988, at San Francisco, California.

FOR 
Kenneth K Henderson, Director
Transportation Division

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


Victor Weisler, Executive Director