

**ORIGINAL**Decision 89 04 052 APR 14 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of )  
 DI SALVO TRUCKING CO., INC. (sic), )  
 for authority to increase rates in )  
 Tariffs, of which this Carrier is )  
 party thereto, for this Carrier's )  
 participation only, namely Western )  
 Motor Tariff Bureau Tariff Nos. )  
 E.S. 1-B, 106, 170, 20-4 DSAL 570-A, )  
 and 571 (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 89-03-013  
 (Filed March 10, 1989)

- And -  
 For authority to depart from the )  
 terms of Section 454 and 491 of the )  
 Public Utilities Code when accom- )  
 plishing such publication. )

OPINION

Di Salvo Trucking Company (Di Salvo) seeks authority for a general increase of 10% in its rates and charges in the following Western Motor Tariff Bureau, Inc., Agent (WMT), tariffs:

Exception Sheet 1-B, CA PUC 34  
 Local Freight and Express Tariff 106, CA PUC 11  
 Rules Tariff WMT 170, CA PUC 51  
 Di Salvo Tariff 20-4 DSAL, CA PUC 67  
 Class Rates Tariff WMT 570-A, CA PUC 85  
 Class Rates Tariff WMT 571, CA PUC 49

Di Salvo states that it has exhausted all rate increases granted by the Commission and has taken window increases in both commodity and distance class rates. Di Salvo has increased its

base rates by 7%<sup>1</sup> on any quantity and 5,000-pound rates and by 2% on rates subject to a minimum weight of 10,000 pounds or more effective April 18, 1988, authorized by Decision (D.)

88-04-001. Applicant has also applied the Truck Freight Cost Index (TFCI) increases of 2.4% on rates based on a minimum weight of less than 10,000 pounds and 2.5% on rates based on a minimum weight of 10,000 pounds or more, pursuant to Resolution TS-683; and brought the increases up to 5% by using the window, effective August 16, 1988. In addition, another 2% window was applied to rates based on a minimum weight of less than 10,000 pounds effective December 5, 1988. Di Salvo intends to drop the window and incorporate the proposed increase into its base rates.

Di Salvo has experienced increases in operating expenses, the most significant being the costs of equipment and labor.

Applicant asserts that its ability to continue to provide adequate and safe public service will be jeopardized unless it quickly makes effective increases in its rates and charges.

By letter dated April 3, 1989, Di Salvo has furnished revised financial data for the 12-month period ending December 31, 1988, 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 applicant's financial position using projected costs in conjunction with current and proposed revenues:

---

<sup>1</sup> With the effective date of this increase, applicant concurrently dropped the 5% window which resulted actually in a 2% increase.

	<u>Test Period Ending December 31, 1989</u>		
	<u>Present Rates</u>	<u>Restated</u>	<u>Proposed Rates</u>
Revenue	\$38,640,555		
Window rate revenue	<u>439,207</u>		
Base rate revenue excluding window rate revenue		\$38,201,348	\$42,021,483
Projected expenses		41,159,793	41,159,793
Profit (Loss)		(2,958,445)	861,690
Operating ratio		107.7	97.9

The application was listed on the Commission's Daily Transportation Calendar of March 15, 1989. 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. Di Salvo has experienced an increase in operating expenses.
2. Di Salvo is seeking an increase of 10% in its base rates, and with this increase would cancel the presently applicable window increase.
3. Applicant increased rates and charges by 7% on any quantity and 5,000-pound rates and by 2% on rates subject to a minimum weight of 10,000 pounds or more, under authority of Decision 88-04-001, effective April 18, 1988.
4. The TFCI increases of 2.4% on rates subject to a minimum weight of less than 10,000 pounds and the 2.5% on rates based on a minimum weight of 10,000 pounds or more have been implemented by applicant pursuant to Resolution TS-683, effective August 16, 1988. Also, applicant used the window to bring the increases up to 5%. Another window increase of 2% was taken on rates subject to a

minimum weight of less than 10,000 pounds effective December 5, 1988.

5. The proposed rates would increase Di Salvo's annual revenue by approximately \$3,820,135.

6. The increases resulting from this proposal are justified.

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.
3. A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. Di Salvo Trucking Company is authorized to increase its base rates and charges by 10% in certain tariffs published by Western Motor Tariff Bureau, Inc., Agent, 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. Di Salvo Trucking Company, 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.

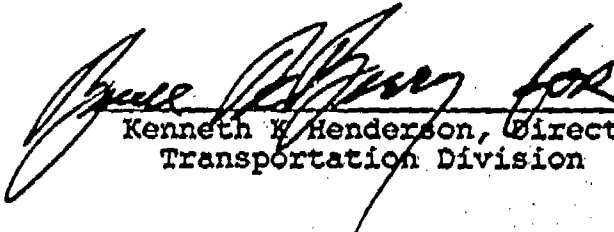
4. This authority will expire if not exercised within 60 days of the effective date of this order.

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 APR 14 1989 at San Francisco, California.

  
Kenneth H. Henderson, Director  
Transportation Division

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



Victor Weiss, Executive Director