

Decision 89 05 004 MAY 5 1989

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
TRIDENT TRUCK LINE, INC., for)
authority under Sections 454, 460)
and 491 of the Public Utilities)
Code, to increase class rates and)
related charges by 15 percent.)

ORIGINAL

Application 89-03-012
(Filed March 9, 1989)

OPINION

Trident Truck Line, Inc. (Trident) seeks authority to increase its class rates and related charges by 15% in Sections 1, 2 and 3 of its Local Freight Tariff No. 1, CAL PUC 1.

Trident has 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, effective August 25, 1988, in accordance with Resolution TS-683. Applicant contends that the TFCI increases have been insufficient to offset increases in operating expenses, the most significant being the costs of equipment maintenance, fuel, parts, tires and payroll taxes.

Applicant also exercised its authority under Rule 7.3 of General Order 147-A by applying a window rate increase of 5%, effective February 24, 1989.

By letter dated April 3, 1989, Trident has furnished financial data for a 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 Trident's financial position using current expenses in conjunction with current and proposed revenues:

Test Period Ending December 31, 1989

	<u>Present Rates</u>	<u>Proposed Rates</u>
Base Rate Revenue	\$2,645,219	\$3,042,002
Current Expenses	2,824,634	2,824,634
Profit (Loss)	(179,415)	217,368
Operating Ratio	106.8	92.9

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.

Findings of Fact

1. Trident has experienced increases in operating expenses.
2. Trident is seeking a 15% increase in its class rates and related charges in Sections 1, 2, and 3 of applicant's Local Freight Tariff No. 1, CAL PUC 1.
3. Applicant has implemented the 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, effective August 25, 1988, pursuant to Resolution TS-683.
4. Trident has taken a window rate increase of 5%, effective February 24, 1989, under Rule 7.3 of General Order 147-A.
5. The proposed rates would increase Trident's annual revenue by approximately \$396,783.
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. Trident Truck Line, Inc. is authorized to increase its base rates and related charges by 15% in Sections 1, 2 and 3 of its Local Freight Tariff No. 1, CAL PUC 1.
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. Trident Truck Line, 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 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 MAY 5 1989 at San Francisco, California.

William R. Schulte
William R. Schulte, Director
Transportation Division

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

[Signature]
Vernon W. Winters, Executive Director