

Decision 89 06 058 JUN 21 1989

ORIGINAL

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 Truck Invest-)
ment Company, Limited Partnership;)
Frank L. Moore, General Partner and)
Best Way Investments, Limited)
Partnership, Jo Ann Moore, General)
Partner, dba MOORE TRUCK LINES,)
seeking 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).)

Application 89-04-063
(Filed April 27, 1989)

OPINION

Western Motor Tariff Bureau, Inc. (WMT) seeks authority on behalf of Truck Investment Company, limited partnership; Frank L. Moore, general partner and Best Way Investments, limited partnership, Jo Ann Moore, general partner, doing business as Moore Truck Lines (Moore), to increase Moore's rates and charges by 10% in the following WMT tariffs (including reissues thereof):

Exception Sheet 1-B, CA PUC 34
Local Freight Tariff 113, CA PUC 19
Tariff WMT 170, CA PUC 51
Tariff 20-4 MOOQ, CA PUC 112
Tariff WMT 570-A, CA PUC 85

Moore last increased its rates and charges by implementing the Truck Freight Cost Index (TFCI) increases of 2.4% on rates not subject to a minimum weight of 10,000 pounds or more and 1.8% on rates based on a minimum weight of 10,000 pounds or more, effective August 16, 1988, pursuant to Resolution TS-683. Moore also has applied window rate increases of 3% on any quantity and 5,000-pound rates and 5% on 10,000-pound, 20,000-pound and truckload rates in Tariff WMT 570-A, effective January 12, 1988.

Minimum charges have been also increased by 5%, effective July 23, 1987.

Moore has experienced increases in operating expenses, the most significant being the costs of labor and equipment. In addition, carrier anticipates an increase in the cost of labor due to a new union contract.

WMT has furnished 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 Moore's financial position using projected expenses in conjunction with current and proposed revenues.

	<u>Test Period Ending December 31, 1989</u>		
	<u>Present Rates</u>	<u>Restated</u>	<u>Proposed Rates</u>
Revenue	\$5,011,771		
Impact of TFCI increases of 2.4% and 1.8%, effective 8-16-88, if applied from 1-1-88	<u>87,956</u>		
Revenue with interim increases	\$5,099,727		
Window rate revenue increase	<u>152,992</u>		
Base rate revenue excluding window rate revenue		\$4,946,735	\$5,441,409
Projected expenses		4,951,988	4,951,988
Profit (Loss)		(5,253)	489,421
Operating ratio		100.1	91.0

Moore intends to publish the authorized increase in both supplement form and increased tariff form.

Applicant requests authority for Moore to publish the authorized increases within 120 days of the effective date of the order. Moore considers the 120-day implementation period to be essential because the notification and negotiation process in a customer specific pricing environment is extremely time consuming. Also, many shippers have asked for advance notification of any pricing adjustments to allow time to recover increased transportation costs.

The application was listed on the Commission's Daily Transportation Calendar of May 4, 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. Moore has experienced increases in operating expenses.
2. Moore is seeking a 10% increase in its rates and charges.
3. Moore has implemented the TFCI increases of 2.4% on rates based on a minimum weight of less than 10,000 pounds and 1.8% on rates based on a minimum weight of 10,000 pounds or more, effective August 16, 1988, pursuant to Resolution TS-683.
4. Moore has applied window rate increases of 3% on any quantity and 5,000-pound rates and 5% on 10,000-pound, 20,000-pound and truckload rates in Tariff WMT 570-A, effective January 12, 1988. The minimum charges also have been increased by 5%, effective July 23, 1987.
5. The proposed rates would increase Moore's annual revenue by approximately \$494,674.
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. Truck Investment Company, Frank L. Moore, Best Way Investments, Jo Ann Moore, doing business as Moore Truck Lines, are authorized to increase their 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. Truck Investment Company, Frank L. Moore, Best Way Investments, Jo Ann Moore, doing business as Moore Truck Lines, in establishing and maintaining the rates authorized by this order, are 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 120 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 JUN 21 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.

Victor Weiss
Victor Weiss, Executive Director

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