

Decision 89 08 051 AUG 17 1989

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of )  
General Transportation, Inc., )  
seeking authority to increase rates )  
and charges in General Transporta- )  
tion, Inc., CA PUC 2 (Local Freight )  
Tariff No. 2), CA PUC 3 (General )  
Transportation Tariff 200), and )  
CA PUC 5 (General Transportation )  
Tariff 300). )

Application 89-05-045  
(Filed May 18, 1989)

OPINION

General Transportation, Inc. (General) seeks authority to increase its rates and charges by 17% in the following tariffs:

- Local Freight Tariff No. 2, CAL PUC No. 2
- General Tariff 200, CAL PUC No. 3
- General Transportation Tariff 300, CAL PUC No. 5

General applied the TFCI increases of 3.6% on rates not subject to a minimum weight of 10,000 pounds or more and 2.5% on rates subject to a minimum weight of 10,000 pounds or more effective August 17, 1988, pursuant to Resolution TS-683. General also implemented the 3% insurance increase on rates subject to a minimum weight of 10,000 pounds or more in its Local Tariff No. 2, effective September 13, 1988, under authority of Decision 86-05-053.

Since those increases, General has experienced increases in labor, vehicle maintenance, health insurance and operational costs. General's projected costs include a 6% across-the-board wage increase, 13% fuel and oil increases, 15.6% repair parts increase, a 163% bridge tolls increase due both to toll rises and customer patterns, and a 34% composite health insurance increase.

General states that rate increases were offset by decreases granted to applicant for commodity rates in General

Transportation Tariff 300, CAL PUC No. 5, by Cost Justifications CJ88-292, -293, -347, -926, -952, -1073, -1078, -1618 and -1669, plus Cost Justifications CJ89-120, -121 and -122 resulting in an overall loss of \$155,019.06 for the fiscal year ending September 30, 1988.

By letter dated August 9, 1989, applicant has furnished revised financial data for the 12-month period ending September 30, 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 General's financial position using projected expenses in conjunction with current and proposed revenues.

	<u>Test Period Ending September 30, 1989</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$2,693,503	\$3,151,399
Projected Expenses	2,922,820	2,922,820
Profit (Loss)	(229,317)	228,579
Operating Ratio	108.5	92.7

General intends to incorporate the authorized rate increases into the specific rates and charges in its Local Freight Tariff No. 2, General Tariff 200 and General Transportation Tariff 300 over a period of time.

The application was listed on the Commission's Daily Transportation Calendar of May 25, 1989. No protest to the granting of the application has been received.

Findings of Fact

1. General has experienced increases in operating expenses.
2. General is seeking a 17% increase in its rates and charges in Local Freight Tariff No. 2, General Tariff 200 and General Transportation Tariff 300.

3. General applied the TFCI increases of 3.6% on rates not subject to a minimum weight of 10,000 pounds or more and 2.5% on rates subject to a minimum weight of 10,000 pounds or more effective August 17, 1988, pursuant to Resolution TS-683.

4. General has also implemented the 3% insurance increase on rates subject to a minimum weight of 10,000 pounds or more in its Local Tariff No. 2 effective September 13, 1988, under authority of Decision 86-05-053.

5. The proposed rates would increase General's annual revenue by approximately \$457,896.

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. General Transportation, Inc. is authorized to increase its rates and charges by 17% 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. General Transportation, 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 AUG 17 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.

*Wesley Franklin*

WESLEY FRANKLIN, Acting Executive Director