

Decision 89 09 086 SEP 27 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Sterling Transit Co., Inc., for)
authority to deviate from Distance)
Table 8 issued by the California)
Public Utilities Commission and to)
implement therewith rate changes)
pursuant to Sections 452 and 454 of)
the California Public Utilities Code.)

ORIGINAL

Application 89-06-041
(Filed June 23, 1989)

OPINION

By this application Sterling Transit Co., Inc. (Sterling) a highway common and contract carrier, seeks authority to deviate from the Commission's Distance Table 8 (DT 8) and to implement rate reductions pursuant to Public Utilities (PU) Code § 452 and rate increases pursuant to PU Code § 454. Specifically, authority is sought to publish and use Sterling's Distance Table 1 (DT 1).

By publishing DT 1 Sterling seeks to implement a U.S. Postal Service zip code based mileage system that represents an approximation of the Commission's current DT 8 mileages, and is almost identical to current zip code mileages set forth in Viking Freight Systems, Inc., Distance Table 2. The use of zip code mileages results in certain slight increases and reductions in rates. The system-wide revenue impact and the impact on individual shipments of these changes are minimal, as exhibited by the revenue comparisons attached to the application as Exhibit A.

Sterling has performed extensive computer rerates of shipments to calculate the revenue impact of implementing the proposed zip code system, as shown in Exhibit A. A one-day rerate study using this zip code system generated revenues of \$44,301.48, compared to billed revenues under DT 8 of \$44,233.11.

This resulted in an overall revenue impact of 0.15%. In a one-day rerate sample performed during the same week, the total miles derived from this system, compared with those calculated under DT 8, resulted in a difference of 0.03%.

Attached to the application as Exhibit B is a cost justification utilizing the format prescribed by the Commission's General Order (GO) 147-A, including calculations of wage expense based upon the Commission's prevailing wage formulas, the development of platform expenses, linehaul expenses, delivery and pickup expenses and a summary of revenue and expense development used in the application.

Sterling asserts that the request, if granted, will be beneficial because efficiencies may be made in the computer rating of freight bills which translate into an improvement in rate accuracy. Furthermore, Sterling maintains, simplification of the constructive mileage determination for rating purposes will reduce labor costs associated with the rating process, and will increase accuracy in constructive mileage determination.

A decision of the Commission in favor of the requested deviation from DT 8 contained in this application would be consistent with previous Commission action as described in Decisions (D.) 86-05-032, 86-02-018, and 86-12-073. Further, D.88-12-047 in Case 7024, OSH 40, authorized the Commission's Transportation Division staff to solicit bids for the purpose of selecting a contractor to develop and maintain an actual mileage zip code-oriented distance table.

Exhibit C to the application, the Zip Code Tariff, is over 1128 pages long; each loose-leaf page is double-sided, 8-1/2 by 11 inches. Any errors can be easily corrected since this is a loose-leaf tariff. Zip codes are somewhat universal; thus there is no need to explain basing points or territory boundaries, unlike DT 8. There is personal computer-compatible software available for use with this zip code tariff which will calculate miles between

and up to twenty points over the most direct route in California, thus making it highly desirable for use in master billing for shippers as well as carriers.

Notice of filing of the application appeared in the Commission's Daily Transportation Calendar. No protest to granting the application has been received. In the circumstances, the application should be granted.

Findings of Fact

1. Sterling requests that it be authorized to depart from the provision of DT 8 by implementing its own DT 1 in lieu thereof, and to implement rate reductions and increases pursuant to PU Code §§ 452 and 454.

2. Granting Sterling's request will allow the carrier to assess reasonable rates and charges in connection with distance rated shipments.

Conclusions of Law

1. The application should be granted. A public hearing is not necessary.

2. Since this matter is uncontested, the effective date of this decision should be today.

ORDER

IT IS ORDERED that Sterling Transit Co., Inc. is authorized to file and apply its Distance Table 1, Cal P.U.C. No. 2, and reissues thereof, in lieu of the Commission's Distance

Table 8, and reissues thereof, and to implement rate reductions and increases pursuant to Public Utilities Code §§ 452 and 454 to the extent necessary in connection with this authority.

This order is effective today.

Dated SEP 27 1989, at San Francisco, California.

G. MITCHELL WILK
President
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Commissioner Frederick R. Duda,
being necessarily absent, did
not participate.

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

Wesley Franklin

WESLEY FRANKLIN, Acting Executive Director