

T/LR

Decision 89 11 072 NOV 28 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of R.S. Greitz, Tariff)
 Issuing Officer of Pacific Motor)
 Tariff Bureau, Inc., on behalf of)
 Piedmont Moving Systems, Inc., re-)
 questing authorization to increase)
 a rate in Item 3012 by 8.39% and to)
 then increase all rates and charges)
 by seven and one-half (7 1/2) percent)
 in Pacific Motor Tariff Bureau, Inc.,)
 Tariff 260 containing commodity rates)
 also rules and regulations pertaining)
 thereto applicable to the transpor-)
 tation of commodities moving in)
 truckload and less than truckload)
 quantities between points in)
 California.)

ORIGINAL

Application 89-07-018
(Filed July 10, 1989)

- AND -

For authority to depart from the)
 terms of Sections 452, 454, 461.5)
 and 491 of the Public Utilities Code)
 when accomplishing such publication.)

OPINION

Pacific Motor Tariff Bureau, Inc. (PMTB), seeks authority on behalf of Piedmont Moving Systems, Inc. (Piedmont), to increase Piedmont's Item 3012 of Tariff 260 (the charge for one unit of equipment with driver and helper) by 8.39% and then to increase all rates and charges in that tariff by 7 1/2% (including Item 3012).

Piedmont last increased its rates and charges by implementing the Truck Freight Cost Index (TFCI) increase of 2.4% on rates not subject to minimum weights of 10,000 pounds or more and 1.8% on rates subject to minimum weights of 10,000 pounds or more, effective October 8, 1988, in compliance with Resolution TS-683.

Since the time of the last increase, Piedmont has experienced increases in operating expenses, the most significant being a health insurance premium increase of 40% and a vehicle liability insurance premium increase of 30%.

Piedmont has furnished revised financial data by letter dated November 6, 1989, 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 Piedmont's financial position using current expenses in conjunction with current and proposed revenues.

	<u>Test Period Ending December 31, 1989</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$756,908 ¹	\$845,428 ²
Current Expenses	765,270	765,270
Profit (Loss)	(8,362)	80,158
Operating Ratio	101.1	90.5

Piedmont intends to apply the increases by incorporating the 8.39% increase into Item 3012 rates and publishing the 7 1/2% increase in supplement form.

The application was listed on the Commission's Daily Transportation Calendar of July 17, 1989. No protest to the

1 An estimated 50% of revenue is derived from Item 3012 of PMTB Tariff 260.

2 Item 3012 revenue with increases:
 $\$378,454 \times 15.89\% = \$60,136$
 All other revenue with increases:
 $\$378,454 \times 7.50\% = \$28,384$

Total revenue increase of \$88,520

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. Piedmont has experienced increases in operating expenses.
2. Piedmont is seeking an increase of 8.39% on rates and charges in Item 3012 of PMTB Tariff 260.
3. Piedmont is seeking an increase of 7 1/2% on all rates and charges in PMTB Tariff 260 (including Item 3012).
4. Piedmont has implemented the TFCI increases of 2.4% on rates not subject to a minimum weight of 10,000 pounds or more and 1.8% on rates subject to minimum weight of 10,000 pounds or more, effective October 8, 1988, pursuant to Resolution TS-683.
5. The proposed rates would increase Piedmont's annual base rate revenue by approximately \$88,520.
7. 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. Piedmont Moving Systems, Inc. is authorized to increase its rates and charges in Item 3012 of PMTB Tariff 260 (the charge for one unit of equipment with driver and helper) by 8.39%.
2. Piedmont Moving Systems, Inc. is authorized to increase its rates and charges in PMTB Tariff 260 by 7 1/2% (including Item 3012).
3. 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.

4. Piedmont Moving Systems, 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.

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

6. The application is granted as set forth above.

7. This order is issued pursuant to Section 308 of the Public Utilities Code and Resolution TS-678.

This order is effective today.

Dated NOV 28 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