

Decision 90 02 059 FEB 27 1990

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Pacific Motor Tariff Bureau, Inc.,)
for and on behalf of Matheson Fast)
Freight, Inc. seeking authority to)
increase all rates and charges in)
Pacific Motor Tariff Bureau, Inc.,)
Tariffs 12, 100, 125, 250, and 550)
(including reissues thereof), and)
for authority to depart from the)
provisions of Section 452, 454, 461.5)
and 491 of the Public Utilities Code)
when accomplishing such publication.)

Application 89-09-033
(Filed September 25, 1989)

O P I N I O N

Pacific Motor Tariff Bureau, Inc. (PMT) seeks authority on behalf of Matheson Fast Freight, Inc. (Matheson) to increase rates and charges by 8% in the following PMT tariffs (including reissues thereof):

Tariff PMT 12, CA PUC 15
Tariff PMT 100, CA PUC 4
Tariff PMT 125, CA PUC 2
Tariff PMT 250, CA PUC 3
Tariff PMT 550, CA PUC 1

Matheson last increased its rates and charges by implementing the Truck Freight Cost Index (TFCI) increases of 1.2% effective August 30, 1987, and 2.4% effective September 6, 1988 pursuant to Resolution TS-683. Previously, Matheson had increased its rates 20% above the generally applicable common carrier rates (GACC) effective January 27, 1987 pursuant to Decision 87-01-023.

Matheson has experienced increases in operating expenses, the most significant being the costs of vehicle liability insurance premiums and fuel. In addition, the carrier has determined that health insurance for labor has increased significantly. Consequently, present rates do not meet the carrier's out of pocket expenses.

PMT has provided financial data for the 12-month period ending June 30, 1989, 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 Matheson's financial position using projected expenses in conjunction with current and restated proposed revenues.

TEST PERIOD ENDING JUNE 30, 1990

	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$7,462,759	\$8,270,373
Expenses	7,635,915	7,635,915
Profit (Loss)	37,437	634,458
Operating Ratio	99.5	92.3

The application was listed on the Commission's Daily Transportation Calendar of October 11, 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. Matheson has experienced increases in operating expenses.

2. Matheson is seeking a 8% increase in its rates and charges.

3. Matheson has implemented the applicable TFCI increases pursuant to Resolution TS-683.

4. The proposed rates would increase Matheson's annual revenue by approximately \$634,458.

5. 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.

O R D E R

IT IS ORDERED that:

1. Matheson Fast Freight, Inc. is authorized to increase its base rates and charges by 8% in certain tariffs published by Pacific 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 the order on not less than 5 days' notice to the Commission and to the public.

3. Matheson Fast Freight, 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 FEB 27 1990, 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

Neal J. Shulman
NEAL J. SHULMAN, Executive Director
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