

Decision 83 08 076 AUG 17 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)
R. D. NICKELL TRUCKING COMPANY, INC.,)
(A California Corporation) for a)
Certificate of Public Convenience and)
Necessity, to operate as a Highway)
Common Carrier, over irregular routes,)
between points in Los Angeles, Orange,)
and San Bernardino Counties, on the one)
hand, and points in California, on the)
other hand. Under authority of)
Sec. 1063 et seq., of the Public)
Utilities Code of the State of)
California.)

Application 82-09-24
(Filed September 15, 1982;
amended December 2, 1982)

O P I N I O N

R. D. Nickell Trucking Co., Inc. (applicant) is a California corporation. It currently holds no operating authority from this Commission, although its President, Roy D. Nickell, holds a permit as a highway contract carrier (T-127,204). It has interstate operating authority not specifically described in the application. It seeks a certificate as a highway common carrier to operate between the Counties of Los Angeles, Orange, and San Bernardino, on the one hand, and all points in the State of California, on the other hand. It contends that granting the authority would "allow applicant to offer the shippers in the proposed service area efficient means of transporting commodities..." It also alleges that the service proposed in the application is unique in that it is specialized for the shippers and manufacturers in the named counties. It argues that population in those counties can be expected to grow through the end of the century and asserts that it

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has discussed the proposed service with local shippers and manufacturers. Shipper support statements have been filed by PACTRA, a manufacturer of paints and chemicals which ships from Upland to points in northern California; and by Transwest Warehouse, a shipper of furniture products, plastics, luggage, and glass from San Dimas to points in northern California. ✓

Applicant has submitted operating statements and a balance sheet as of November 1, 1982. These financial projections indicate that applicant is short of cash, has a substantial bank overdraft, high fixed operating costs, and is very thinly capitalized. We are informed, however, that as of June 30, 1982 applicant had nearly half a million dollars in unreported accounts receivable due from shippers. This is approximately equal to nine months' gross revenue for both interstate and intrastate hauling. We can therefore find that applicant is financially fit. Any temporary shortage of cash applicant may experience could be remedied by factoring a portion of its accounts receivable.

Applicant proposes to operate nine leased tractors and 11 leased trailers. Applicant has included a pro forma cash flow projection for its intrastate traffic which is set forth in Table 1.

TABLE I

	<u>Monthly</u>	<u>Annually</u>
Intrastate Revenue	\$62,400	\$748,800
Operating Expenses		
Wages	2,500	30,000
Interest	150	457
Taxes & License	1,300	6,000
Telephone	2,000	13,000
Utilities	-	-
Insurance	1,000	12,000
Maintenance	400	5,000
Office Exp.	400	5,000
Rent	500	6,000
Supplies	100	1,200
Auto Exp.	160	2,100
Bookkeeping/Legal	400	4,800
Independent Labor	37,440	449,280
Good Will	660	7,920
Other	500	6,000
Equipment	<u>10,000</u>	<u>120,000</u>
Total Expense	57,510	668,757
Net Profit	4,890	79,243

Notice of the filing of this application and its amendment appeared in the Commission's Transportation Calendar on September 16, 1982 and December 8, 1982, respectively. No protests have been received.

Findings of Fact

1. Applicant possesses satisfactory fitness and financial responsibility to conduct the proposed transportation services.
2. Public convenience and necessity require the service proposed by applicant.
3. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
4. The following order has no reasonably foreseeable impact upon the energy efficiency of highway carriers.
5. A public hearing is not necessary.

Conclusion of Law

Applicant has demonstrated public convenience and necessity, and the application should be granted.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to R. D. Nickell Trucking Co., Inc., a California corporation, authorizing it to operate as a highway common carrier, as defined in Public Utilities Code Section 213, between the points named in Appendix A.

2. Applicant shall:

- a. File a written acceptance of this certificate within 30 days after this order is effective.
- b. Establish the authorized service and file tariffs within 120 days after this order is effective.
- c. State in its tariffs when service will start; allow at least 10 days' notice to the Commission; and make tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series 80, 100, 123, and 147, and the California Highway Patrol safety rules.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.
- f. Comply with General Order Series 84 (collect-on-delivery shipments). If applicant elects not to transport collect-on-delivery shipments, it shall file the tariff provisions required by that General Order.

This order becomes effective 30 days from today.

Dated AUG 17 1983, at San Francisco, California.

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

Commissioner Leonard M. Grimes, Jr.,
being necessarily absent, did not
participate.

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

R. D. Nickell Trucking Co., Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to conduct operations as a highway common carrier as defined in Public Utilities Code Section 213 for the transportation of general commodities between points in the Counties of Los Angeles, Orange and San Bernardino, on the one hand, and all points in the State of California, on the other hand.

Except that under the authority granted, carrier shall not transport any shipments of:

1. Used household goods and personal effects, office, store, and institution furniture and fixtures.
2. Automobiles, trucks, and buses, new and used.
3. Ordinary livestock.
4. Liquids, compressed gases, commodities in semiplastic form, and commodities in suspension in liquids in bulk in any tank truck or tank trailer.
5. Mining, building, paving, and construction materials, except cement or liquids, in bulk in dump truck equipment.
6. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
7. Portland or similar cements, either alone or in combination with lime or powdered limestone, in bulk or in packages, when loaded substantially to capacity.

Issued by California Public Utilities Commission.

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8. Articles of extraordinary value.
9. Trailer coaches and campers, including integral parts and contents when contents are within the trailer coach or camper.
10. Explosives subject to U.S. Department of Transportation regulations governing the transportation of hazardous materials.
11. Fresh fruits, nuts, vegetables, logs, and unprocessed agricultural commodities.
12. Any commodity, the transportation or handling of which, because of width, length, height, weight, shape, or size, requires special authority from a governmental agency regulating the use of highways, roads, or streets.
13. Transportation of liquid or semisolid waste, or any other bulk liquid commodity in any vacuum-type tank truck or trailer.

In performing the service authorized, carrier may make use of any and all streets, roads, highways, and bridges necessary or convenient for the performance of this service.

(END OF APPENDIX A)

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