

ORIGINAL

Decision No. 88843 MAY 16 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
for the purpose of considering and)
determining minimum rates for)
transportation of any and all)
commodities statewide including,)
but not limited to, those rates)
which are provided in Minimum)
Rate Tariff 2 and the revisions)
or reissues thereof.)

Case No. 5432
Petition for Modification
No. 940
(Filed January 6, 1977)

OPINION AND ORDER

By D.87434 (1977) Warren Trucking Co., Inc. (Warren)^{1/} was authorized to publish and file, to expire with June 1, 1978, certain common carrier rates (less than minimum rates) for transportation of newsprint paper and printing paper from points in the Los Angeles Harbor Commercial Zone to various points in southern California, as set forth and subject to the conditions specified in Appendix A to that decision. A petition for rehearing of D.87434 filed by California Trucking Association was granted by D.87771 (1977).

By verified petition filed March 7, 1978, as amended March 31, 1978, Warren seeks an ex parte order extending the expiration date of the rates authorized by D.87434 from June 1, 1978 to December 1, 1978, and increasing those rates by

^{1/} By D.86377 (1976), as amended by D.86860 (1977), Warren was granted a certificate to operate as a highway common carrier for the transportation of newsprint paper and printing paper in California intrastate commerce from Los Angeles, Long Beach, San Diego, and points and places within five statute miles thereof to points in Santa Barbara, Ventura, Los Angeles, Orange, San Bernardino, Riverside, Imperial, San Diego, Tulare, Kern, Kings, and San Luis Obispo Counties.

10 percent. Warren requests extension of the expiration date so that the present level of rates (increased 10 percent) will continue pending final determination of the issues after rehearing. Finding 10 of D.87434 states that increases which may result in the event the proposed rates should expire with June 1, 1978 are justified. Warren asserts, however, that expiration of the authorized rates would result in a rate increase of more than 50 percent, which would be unnecessarily high. California Trucking Association resists Warren's request for an ex parte order.

Exhibit A to the amendment filed March 31, 1978 is a copy of Supplement 1 to Warren's Tariff No. 2-A, MF-I.C.C. No. 15, filed with the Interstate Commerce Commission, raising rates on newsprint paper and printing paper moving in interstate or foreign commerce by 10 percent, effective May 1, 1978.

Exhibit B to the March 31 amendment is a statement showing Warren's actual operating results for 1977, as well as pro forma results computed to reflect increased costs and the projected 10 percent increase in rates had those costs and rates been in effect during all of 1977. Actual income from operations in 1977 (operating income, less expenses) was \$109,249. After adjustments for increased costs and proposed increased rates, income from operations would have been \$134,332 resulting in an increase of \$25,083 or 23 percent. After providing for other income and loss, actual 1977 income before income taxes was \$129,140. The pro forma figure would have been \$142,020 resulting in an increase of \$12,880 or 10 percent. Both actual and pro forma operating profits are shown as 5.1 percent.

Under the circumstances, the sought 10 percent increase in intrastate rates should be authorized and the expiration date of the subject rates should be extended pending rehearing of D.87434. Rehearing has been scheduled for May 24 and 25, 1978 in Los Angeles.

IT IS ORDERED that:

1. The expiration date of June 1, 1978 in Ordering Paragraph 1 of Decision No. 87434 is extended to December 1, 1978.

2. The authority in Ordering Paragraph 1 herein pertains to intrastate rates in effect on May 31, 1978.

3. Warren Trucking Co., Inc. is authorized to increase rates by 10 percent as sought in its amended petition for modification of Decision No. 87434 filed March 31, 1978.

4. Tariff publications authorized to be made as a result of the order herein may be made effective on five days' notice to the Commission and to the public.

5. In all other respects, Decision No. 87434 shall remain in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 16th
day of MAY, 1978.

Robert Batzmaier
President
William J. Brown Jr.
Leslie L. Sturgeon
Richard D. Sevilla
Alvin J. Diederich
Commissioners