

Decision No. 89644 NOV 9 - 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pomona Valley)	
Trucking, Inc., authority to)	
deviate from certain minimum)	Application No. 58135
rates pursuant to Section 3666)	(Filed June 12, 1978)
of the California Public Utilities)	(Amended September 12, 1978)
Code for the transportation per-)	
formed for Norris Industries.)	

OPINION AND ORDER

By this application, Pomona Valley Trucking, Inc. (Pomona) seeks authority to deviate from the provisions of Minimum Rate Tariff 2 in connection with the transportation of shipments of plumbers' goods for Norris Industries from the City of Industry to various points within 250 miles.

Pomona seeks to assess 90 percent and 84 percent of the Class 55 and 45 ratings, respectively, when transporting 20,000 pound and 30,000 pound shipments of plumbers' goods.

Applicant states that it has the equipment and the financial ability to perform the services as needed by the shipper. Carrier further states that because it is located near the shipper's manufacturing plant, it will be able to readily assist the shipper in expediting its transportation needs. The shipper plans to tender the carrier one truckload of plumbers' goods each working day in shipments of 20,000 to 30,000 pounds. Pomona contends that the proposed deviation will permit a profitable operation.

The application and amendment were listed on the Commission's Daily Calendars of June 15, 1978 and September 13, 1978, respectively. The California Trucking Association (CTA) opposed the ex parte handling of the application stating that the a) Carrier's per mile operating costs were understated, b) Mileage factors for an illustrative shipment were in error, and c) Indirect expenses were not evident when determining the operating expenses to the "typical shipping destination". In response,

Pomona filed an amendment to the application, satisfactorily answering CTA's major charges. However, in a subsequent letter dated September 18, 1978, to the Commission, CTA stated that the operating costs, as set forth in Exhibit B of the original application, are "understated by a substantial amount". In addition, CTA contends that "applicant also has failed to include any provisions for indirect costs". The Commission has determined, upon further review of all the data submitted, both in the original application and amendment, that the operating costs projected for this specific transportation are adequately allocated. CTA's concern about the applicant's alleged understatement of its operating costs for wages, depreciation, and general administrative expenses appears to be without merit. Staff's analyses indicate that the projected costs presented are sufficient to cover the expenses to be incurred. The projected revenues indicate that the carrier will be compensated for its services and provided with a reasonable profit. Applicant states that it does not intend to utilize subhaulers in connection with the operation contemplated by this deviation.

In the circumstances, the Commission finds that the applicant's proposal is reasonable. A public hearing is not necessary. The Commission concludes that the application, as amended, should be granted as set forth in the ensuing order and the effective date of this order should be the date hereof because there is an immediate need for this relief.

IT IS ORDERED that:

1. Pomona Valley Trucking, Inc. is authorized to perform the transportation shown in Appendix A attached hereto and by this reference made a part hereof at not less than the charges set forth therein.
2. The authority granted herein shall expire one year after the effective date of this order unless sooner canceled, modified or extended by further order of the Commission.

A. 58135 - FS

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 9th
day of NOVEMBER, 1978.

Robert Babinich
President
William S. Quous
Verona L. Stinson
Robert D. Howell
Clair L. Deziel
Commissioners

APPENDIX A

Carrier: Pomona Valley Trucking, Inc.

Commodity: Plumbers' Goods (National Motor Freight Classification NMF 100-E, Item 159830).

Shipper: Norris Industries

From: City of Industry

To: Various points within 250 miles of the City of Industry.

Ratings: (a) 84% of Class 45, minimum weight 30,000 pounds.

(b) 90% of Class 55, minimum weight 20,000 pounds.

Conditions:

1. Applicant has indicated that subhaulers will not be engaged nor have any costs of subhaulers been submitted. Therefore, if subhaulers are employed, they shall be paid no less than the rates authorized herein without any deduction for use of applicant's trailing equipment.
2. In all other respects, the rates and rules in Minimum Rate Tariff 2 shall apply.

(END OF APPENDIX A)