

CBB/FS

Decision No. 89752 DEC 12 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of LOS ANGELES)
JUNCTION RAILWAY COMPANY for) Application No. 58364
Authority to Increase Terminal) (Filed September 15, 1978)
Switching Charge.)

OPINION AND ORDER

By this application the Los Angeles Junction Railway Company (LAJ) seeks authority to increase its terminal switching charge within California to \$85.14 per car. The present charge per car switched is \$62.33.¹ Presently, when the carrier performs terminal switching for interstate movements, the charge per car switched is \$92.59.

The increase requested herein is for a final rate and will not be subject to the percentage surcharge granted by Decision 89495.

The carrier states that the sought charge of \$85.14 equals the division of revenue that it receives for cars line-hauled to and from points beyond the Los Angeles switching limits. The carrier, in its financial exhibits, attached to the application, indicates that the total annual revenue to be derived from the sought increase in its intrastate switching services for the calendar year 1978 would be \$37,800. This amounts to an 1.27% increase over the carrier's annualized switching revenues of \$2,937,800 for this year. Based upon LAJ's total railway operating revenues, annualized at \$3,396,500 for the year 1978, the sought amount results in an increase of 1.11%.

¹Applicant's present charge is set forth in its Terminal Tariff 1, I.C.C. 27.

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LAJ is seeking an increase in the switching charge to offset labor contracts that have already been negotiated with several railroad Brotherhoods. In addition, several labor contracts are still in negotiations. Applicant states that its net income for the year 1978, is projected at \$284,300. However, if the sought switching charge increase is authorized, the net income for the carrier for the year is \$304,700, the net increase difference being \$20,400. The applicant points out in its exhibits, that although its sought increase amounts to an annualized figure of \$37,800, the carrier's projected increase in income taxes, based upon the increased revenues, will reduce that amount to \$20,400.

Attached to the application is a Certificate of Service, dated September 15, 1978, certifying that a copy of the application had been mailed to each person or firm located on the line of the carrier which shipped or received cars subject to carrier's terminal tariff during the past twelve-month period.

The application was listed on the Commission's Daily Calendar of September 19, 1978. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that the increase which will result from applicant's proposal is justified. A public hearing is not necessary. The Commission concludes that the application should be granted, except that the switching charge to be assessed will not be subject to the percentage surcharge granted by Decision 89495.

IT IS ORDERED that:

1. Los Angeles Junction Railway Company is hereby authorized to publish an amendment to its tariff as specifically proposed in the application. The increase authorized shall not be subject to the percentage surcharge granted by Decision 89495.

2. Tariff publication authorized to be made as a result of the foregoing authority shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date hereof on not less than five days' notice to the Commission and to the public, and this authority shall expire unless exercised within ninety days after the effective date of this order. To the extent that departure from the terms and rules of General Order No. 125 is required to accomplish such publication, authority for such departure is hereby granted.

3. The authority granted by this order is subject to the express condition that applicant will never urge before this Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that this opinion and order constitute a finding of fact of the reasonableness of any particular rate or charge. The filing of rates and charges pursuant to this order will be construed as a consent to this condition.

4. Applicant, in establishing and maintaining the rates authorized hereinabove, is authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby 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.

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The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 12th day of DECEMBER, 1978.

Robert Bateman

President

William Lyons Jr.

Veronica L. Sturgeon

Robert R. Howell

Paul T. DeLeon

Commissioners