

HEC/FS

Decision No. 90637

JUL 31 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investiga- )  
tion for the purpose of consid- )  
ering and determining minimum )  
rates for transportation of )  
cement and related products. )  
statewide as provided in Minimum )  
Rate Tariff 10 and the revisions )  
or reissues thereof. )

Case No. 5440  
Petition for Modification  
No. 111  
(Filed June 19, 1979)

OPINION AND ORDER

By this petition,<sup>1</sup> Miles & Sons Trucking Service, Inc. (Miles)<sup>2</sup> a holder of a cement carrier certificate of public convenience and necessity seeks authority pursuant to Section 454 of the Public Utilities Code to increase its rates for the transportation of bulk cement.

Miles in seeking this rate relief states, "without such relief, it will not be able to continue its service or remain in business." Exhibits prepared by Miles detail a loss of \$297,851 and an operating ratio of 121.4% for the 12-month period ending December 31, 1978.

Miles protests that past pertinent minimum rate decisions have granted limited revenue adjustments that offset only portions of increased costs which were being experienced. Miles during these past periods has been required to dedicate most of the company's earnings to the actual operation of the transportation services.

---

<sup>1</sup> The increase sought by this petition will have no effect upon the present rates contained in Minimum Rate Tariff 10. Petitioner, Miles & Sons Trucking Service, Inc. is filing only on behalf of its own account.

<sup>2</sup> Miles & Sons Trucking Service, Inc. participates in the Western Motor Tariff Bureau, Inc.'s Local Freight Tariff No. 17, Cal. P.U.C. No. 21. Mileage rates in WMTB's Tariff No. 17 are the same as those published in the Commission's Minimum Rate Tariff 10.

This use of current revenues for current operational expenses has resulted in an aging of the company's fleet of equipment. Miles petitions for sufficient earnings from operations to enable it to have an adequate equipment replacement program and efficient and economical vehicles with which to perform its public service.

Miles has prepared exhibits substantiating its need for additional revenue. The operating costs from the exhibits have been compared to current revenues including the offset increases granted by the Commission on April 3 and June 1 of this year. Miles through an exhibit detailing its gross revenue earned by the various traffic flows has determined that a 7.87% increase in revenue will result if this petition is granted. This 7.87% increase will yield \$218,483 in additional revenue, and an operating ratio of 119.4%.

Miles, in compliance with the President's guidelines on wage/price standards and the Commission's Resolution No. M-4704, dated January 30, 1979, cites its critical fiscal condition as creating an exception to the price standards.<sup>3</sup> Miles expects to continue to operate at a loss. However, certain operative changes will be made that will enable Miles to remain a viable cement carrier and, hopefully, offset a large portion of these losses through these changes and the relief sought by this petition.

A copy of the application was mailed to the California Trucking Association and a notice of the proposed increase mailed to the cement companies served by the petitioner. The petition was listed on the Commission's Daily Calendar of June 19, 1979. No objection to the granting of the petition has been received.

---

<sup>3</sup> Past operating income and operating ratios:

<u>Year</u>	<u>Operating Income</u>	<u>Operating Ratio</u>
1978	(\$297,851) (loss)	121.4%
1977	\$ 18,955	99.1%
1976	\$ 83,397	95.9%

In the circumstances, it appears, and the Commission finds, that the increases resulting from the proposals herein are justified. A public hearing is not necessary. The Commission concludes that the petition should be granted as set forth in the ensuing order. In view of the operating loss, there is an immediate need for rate relief, and the effective date of the order should be the date hereof.

IT IS ORDERED that:

1. Miles & Sons Trucking Service, Inc. is hereby authorized to have published on its behalf in Western Motor Tariff Bureau, Inc.'s, Agent, Local Freight Tariff No. 17, Cal. P.U.C. No. 21 the increases as specifically proposed in Appendix A to the petition.

2. Tariff publications authorized to be made as a result of the order herein 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 of this order on not less than five days' notice to the Commission and the public.

3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

The effective date of this order is the date hereof.

Dated JUL 31 1979, at San Francisco, California.

John E. Bryan  
President  
Vernon L. Sturgeon  
Richard D. Charles  
Clare J. Smith  
Samuel J. Smith  
Commissioners