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Decision No. 90855 SEP 25 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)
rock, sand, gravel and related)
items in bulk, in dump truck)
equipment in Southern California)
as provided in Minimum Rate)
Tariff 17-A and Southern)
California Production Area and)
Delivery Zone Directory 1, and)
the revisions or reissues)
thereof.)

Case No. 9819
Petition for Modification
No. 38
(Filed July 5, 1979)
(Amended September 4, 1979)
Case No. 9819
Petition for Modification
No. 30
(Filed March 31, 1979)

FINAL OPINION AND ORDER

California Dump Truck Owners Association (CDTOA) seeks authority to increase the minimum rates for the transportation of rock, sand, gravel and related commodities in dump truck equipment as set forth in Minimum Rate Tariff 17-A (MRT 17-A). CDTOA asserts that since the rates were last adjusted pursuant to Decision 90038 dated February 27, 1979 in Case 9819 (Petition 34), carriers performing transportation services under that tariff have incurred increased operating costs. CDTOA asks that the rates be adjusted to reflect such costs using the same methods and procedures utilized by the staff in similar proceedings involving MRT 17-A.

Petitioner, in compliance with the President's guidelines on wage/price standards and the Commission's Resolution No. M-4704, dated January 30, 1979, alleges that carriers' current revenues are not and will not be adequate to offset their expenses unless relief is granted as set forth in this petition.

Interim Decision No. 90671 dated August 14, 1979, issued ex parte in this proceeding, authorized increases of ten percent (in surcharge form), in the rates and charges set forth in MRT 17-A.

Petition 30, filed by the Southern California Rock Products Association, requests a modification of Minimum Rate Tariff 17-A by updating basic time and mileage traverse data. The new factors and revised data have been summarized in a report entitled "Report of New Segments Proposed to be Added to the Time and Distance Traverse Network for Dump Truck Equipment Within the Los Angeles Basin Core Area." This report has been reviewed by the Commission staff and the new network will be used in conjunction with Petition 38.

Total costs reflecting the changes in the basic cost data were developed by the Commission staff. The production area-delivery zone rates in MRT 17-A, which would result from the revised cost data, are computed on the formulae set forth in Appendix A. The increased zone rates proposed by the staff are developed by computer, based on these formulae. The increase in annual revenue is estimated to be \$8.99 million.

The staff recommends that in the absence of protest that the Commission adopt the rates proposed by it. The staff has advised the Commission that it has informed CDTOA, California Asphalt Products Association, Associated General Contractors of California, Associated Independent Owner-Operators and Southern California Rock Products Association of its proposal and that none of those organizations have objected to the staff approach. No protest from any source has been received. In the circumstances, a public hearing is not necessary.

Findings

1. The minimum rates in MRT 17-A were last adjusted by Decision 90038 dated February 27, 1979.
2. Since the rates in MRT 17-A were last adjusted, the costs of performing services under the tariff have increased.

3. The revised time and traverse data proposed in Petition 30 should be adopted.

4. The rate formulae set forth in Appendix A reflect the costs found reasonable for MRT 17-A. The application of those formulae to the time and distance traverse networks adopted by the Commission will provide just, reasonable, and nondiscriminatory minimum rates for the transportation governed by MRT 17-A and the increases resulting therefrom are justified.

The Commission concludes that the petitions should be granted as set forth in the ensuing order.

IT IS ORDERED that:

1. The revisions of Minimum Rate Tariff 17-A as described in Finding 4 of the preceding opinion shall become effective November 18, 1979.

2. The tariff revisions referred to in the preceding ordering paragraph shall be distributed by a separate order issued by the Executive Director of the Commission in accordance with procedures hereinbefore adopted for the promulgation of similar routine orders of the Commission.

3. In all other respects, Decision 80578, as amended, shall remain in full force and effect.

4. The Executive Director shall serve a copy of this decision on every common carrier, or such carriers' authorized tariff publishing agents, performing transportation subject to Minimum Rate Tariff 17-A.

The effective date of this order shall be the date hereof.

Dated SEP 25 1979 at San Francisco, California.

John E. Sweeney
President
Richard D. Howell
Robert J. DeLoach
Edward J. Keen
Commissioners

APPENDIX A

Rate per Ton Formulae for the Computation
of Zone Rates, Minimum Rate Tariff 17-A

1. From production areas in Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties to delivery zones other than those in San Diego County.

Rock, Sand, Gravel and Slag:

$$\frac{(\text{O.W. miles} \times \$0.02362) + (\text{R.T. min.} \times \$0.01352) + \$0.321}{0.9197}$$

Asphaltic Concrete:

$$\frac{(\text{O.W. miles} \times \$0.03709) + (0.96 \times \text{R.T. min.} \times \$0.02569) + \$0.751}{0.9197}$$

Decomposed Granite:

$$\frac{(\text{O.W. miles} \times \$0.03709) + (\text{R.T. min.} \times \$0.02569) + \$0.424}{0.9197}$$

2. From production areas in San Diego County to delivery zones in San Diego and Orange Counties.

Rock, Sand & Gravel:

$$\frac{(\text{O.W. miles} \times \$0.0279) + (\text{R.T. min.} \times \$0.01533) + \$0.2892}{0.9197}$$