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Decision No. 91013 NOV 6 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )	
of UNIVERSAL TRANSPORT SYSTEM (sic) )	
to increase its rates for the )	Application No. 59168
transportation of cement and )	(Filed October 1, 1979)
related products in bulk, )	
Northern California. )	

OPINION AND ORDER

By this application, Universal Transport System, Inc. (Universal), seeks to increase its rates for the transportation of bulk cement. Universal is a holder of a cement certificate of public convenience and necessity to operate as a cement carrier in 48 northern California counties. Universal is a party to the rates and rules as published by Western Motor Tariff Bureau, Inc., Agent, in Local Freight Tariff No. 17, Cal. P.U.C. No. 21.

Universal has prepared financial data supporting the need for the rate relief. The data shows that Universal's yield on its capital investment from all operations in 1978 was 4 percent. (A pro-forma statement representing financial condition in event of liquidation shows 1978's net revenue yielding 3.4 percent on its capital investment.)

Universal proposes to increase its rates on bulk cement by an average of 7.44 percent. The rates being sought would be at the same level as Universal is now assessing for the transportation of fly ash. Fly ash and cement have identical transportation characteristics and fly ash competes with cement in the production and mixing of concrete. The rates assessed by Universal for the transportation of fly ash were granted by the Commission by Resolution 275 in SDD-931 effective May 8, 1979.

Universal seeks an exception from the President's wage-price guidelines to avoid undue hardship. This type of exception is provided for in Paragraph 705A-9 of the Wage and Price Standards. Universal reports that the calendar year 1978 was one of the best years in terms of cement traffic volume. If Universal wishes to continue as a viable carrier in this traffic an equipment replacement program must be considered. Under present revenue conditions an investment towards equipment replacement could not be managed. Without adequate rate relief Universal will show an annual profit of only \$9,646 and an operating ratio of 99.5 percent insufficient to justify the risk of the undertaking.

A notice of the proposed increase was mailed to each of the cement companies served by the applicant and to the California Trucking Association. The application was listed on the Commission's Daily Calendar of October 3, 1979. No objection to the granting of the application has been received.

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

IT IS ORDERED that:

1. Universal Transport System, Inc., is hereby authorized to have published on its behalf in Western Motor Tariff Bureau, Inc., Agent, Local Freight Tariff No. 17, Cal. P.U.C. No. 21, the increases as specifically proposed in Exhibit B - Table I of the application.

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 NOV 6 1979, at San Francisco, California.

John E. Byrne  
President

Kenneth L. Stinson

Richard D. Howard

Clare J. Schmidt

Harold W. Quinn  
Commissioners