

APR 21 1981

Decision No. 92967

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
 Western Motor Tariff Bureau, Inc.,)
 Agent, for authority to increase)
 rates and charges in Western Motor)
 Tariff Bureau Tariff No. 17 con-)
 taining rates of common carriers)
 for the transportation of cement)
 in bulk or in packages, and other)
 commodities, and the performance)
 of specified services related)
 thereto.)

Application No. 60280
(Filed February 19, 1981)

OPINION AND ORDER

By this application Western Motor Tariff Bureau, Inc., Agent (WMTB) seeks on behalf of the common carriers participating in WMTB Tariff No. 17, Cal. P.U.C. No. 21 (WMTB 17) increases in the rates and charges for the transportation of cement and related services.

The rates and charges of WMTB 17 were last adjusted pursuant to Decision 92499, dated December 5, 1980. That decision authorized a 3-1/2% increase on a limited number of Northern Territory rates. The increase was for labor-related expenses incurred as a result of higher wage costs payable as of May 16, 1980. A previous decision, Decision 92162, dated August 19, 1980, authorized a limited increase for other Northern Territory rates and for Southern Territory rates. Decision 92612 partially offset wage costs payable as of May 16 and July 1, 1980.

Presently, the application cites contractual labor cost increases which will be incurred by Northern and Southern Territory cement carriers on May 16 and July 1, 1981, respectively. Further, increases now being experienced by the carriers are vehicle costs, maintenance costs, supplies and financing costs. Applicant's Exhibit A, attached to the application, details the increases which will accrue on labor. To support the need for the other elements of increased costs, applicant cites the increase in the indexes for motor trucks, motor vehicle parts, and a graphic detailing the increases in the prime interest rates for motor carrier financing.

Applicant seeks to increase all rates and charges in the Northern Territory by 9% and in the Southern Territory by 8%. Applicant estimates the increase will yield approximately \$3,400,000 additional annual revenue for the common carriers participating in the WMTB 17 tariff.

Applicant has submitted financial data to support the need for an increase. The data has been developed and presented as a "Composite Balance Sheet and Income Statement" (Appendix III to the application). The composite was established based upon 70% of the carriers participating in WMTB 17. The Commission, recognizing that WMTB operating pursuant to section 496 accords to each participant in the tariff free and unrestrained right to independent action, will make the increases granted in the following order permissive.

The rates and charges in WMTB 17 are presently subject to surcharges authorized by prior Commission decisions. Applicant desires permission to fold these existing surcharges into the tariff. In order to accomplish this, applicant requests that this order not expire until 180 days after the effective date.

Applicant states that the relief requested herein will have no energy efficiency impact and does not constitute a major action affecting energy efficiency under Sections 3502.1 and 3502.2 of the California Public Utilities Code.

Findings of Fact:

1. WMTB operates as a rate bureau pursuant to Public Utilities Code Section 496.
2. WMTB seeks to publish increases of 9% and 8% in its rates and charges for the transportation of cement and related services published in its WMTB 17 tariff.
3. The increases are needed to offset cost increases now being incurred and which will be incurred May 16 and July 1, 1981 by cement carriers in the Northern and Southern Territories, respectively, parties to the tariff. The sought increases have not been covered by any prior rate increase application.

4. The cost data submitted with the application describes the elements of increased costs being, and to be, experienced. This increase, if every carrier were to apply the authorized (permissive) amount, would add \$3.4 million to the annual revenues of the carriers.

5. Analysis of the application and the detailed financial support data submitted demonstrates that the granting of the increase is cost-justified and should result in maintaining the present operating ratio of 97 for the "composite group" presenting the data.

6. WMTB initially seeks to apply the percent increases authorized as surcharges to the tariff.

7. WMTB Intends to incorporate the surcharges into the rates and charges of the tariff. An extension of the expiration date of this order is necessary in order to accomplish this task.

8. Notice of the filing of the application appeared on the Commission's Daily Calendar of February 25, 1981.

9. No protests have been received.

10. Since the carriers are already experiencing some of the increased operating costs, the order which follows should be made effective on the date of signature to meet the Northern Territory labor increase.

11. Tariff pages containing the increase for the Northern Territory should be made effective no sooner than May 16, 1981.

12. Tariff pages containing the increase for the Southern Territory should be made effective no sooner than July 1, 1981.

13. Limited authority to depart from the provisions of Section 461.5 of the Public Utilities Code should be granted.

14. Limited authority to depart from the terms and rules of General Order 80-Series should be granted.

15. The following order has no reasonably foreseeable impact on the energy efficiency of highway carriers.

16. Applicant desires 180 days to establish the increases sought herein. The Commission finds the request is reasonable and will grant unlimited time to effect the increases.

Conclusion of Law

The application should be granted to the extent set forth in the ensuing order.

IT IS ORDERED that:

1. Western Motor Tariff Bureau, Inc., Agent is authorized to publish surcharge increases on behalf of the individual carriers participating in its Western Motor Tariff Bureau Tariff No. 17, Cal. P.U.C. No. 21.

2. The surcharge increase for carriers operating in the Northern Territory shall not be effective prior to May 16, 1981.

3. The surcharge increase for carriers operating in the Southern Territory shall not be effective prior to July 1, 1981.

4. 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 on not less than ten days' notice to the Commission and to the public.

5. Western Motor Tariff Bureau, Inc., Agent in establishing and maintaining the rates authorized by this order, is authorized to depart from the provisions of Section 461.5 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.

6. Western Motor Tariff Bureau, Inc., Agent is authorized to depart from the Commission's tariff circular requirements only to the extent necessary in establishing the surcharge supplements and their subsequent incorporation into the rates and charges as authorized by this order.

The effective date of this order is the date hereof.

Dated APR 21 1981, at San Francisco, California.

John E. Guyon
President
James D. Hooley
James D. Hooley
Victor C. ...
James C. ...
Commissioners