

Decision No. 80144

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of RIVER LINES COMPANY, for an)	
Order authorizing increases)	Application No. 53302
in its rates and charges for)	(Filed May 1, 1972)
the transportation of petroleum)	
and petroleum products in bulk.)	

INTERIM OPINION AND ORDER

By this application, River Lines Company, a vessel common carrier, seeks authority to increase its rates for transportation of petroleum and petroleum products in bulk between points in San Francisco Bay and its tributaries and to cancel certain rates for said transportation.¹ Applicant also requests authority to publish the proposed rates on less-than-statutory notice.

Applicant states that the proposed rate increases approximate 20 percent and that the rates to be canceled apply to movements which no longer exist. Applicant declares that the rates in question were last increased pursuant to Decision No. 72815, dated July 25, 1967. Applicant alleges that, since that time, it has experienced increases in labor and other costs which now cause it to sustain a net operating loss. Applicant contends that the financial data presented in this proceeding demonstrate that it is in no position to continue to sustain the current losses. Applicant avers that, unless prompt action is taken in this matter, it will be forced to discontinue service.

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The rates are published in San Francisco Barge Tariff Bureau, Local Freight Tariff No. 1, Cal.P.U.C. No. 2, of William M. Larimore, Agent.

Applicant states that it has discussed the proposed rate adjustments with its customers and they expressed no opposition thereto. The application was listed on the Commission's Daily Calendar of May 2, 1972. No objection to the granting of the application has been received.

Commission staff analysis discloses that the sought increases in rates apply to specialized water transportation services and that applicant has experienced increases in its operating costs since the involved rates were last increased in 1967. The proposed cancellation of rates would be in the interest of tariff simplification inasmuch as no traffic is moving under such rates. In view of applicant's critical need for the sought rate relief, the staff recommends that applicant be authorized by an interim ex parte order (1) to apply a 5 $\frac{1}{2}$ -percent surcharge to the rates in question pending decision on evidence to be adduced at a public hearing in this matter and (2) to cancel the "dead rates" as proposed.

Subject to further review upon consideration of evidence which may be adduced at a public hearing, it appears, and the Commission finds, that applicant should be authorized to cancel the involved "dead rates" and increase certain other rates to the extent indicated in the ensuing order.

The Commission concludes that the increases granted will not contribute to inflationary expectations and are necessary to assure continued and adequate service. Therefore, they fall within the guidelines established pursuant to the Federal Government's economic stabilization program as more specifically set forth in the certificate attached hereto as Appendix A.

IT IS ORDERED that:

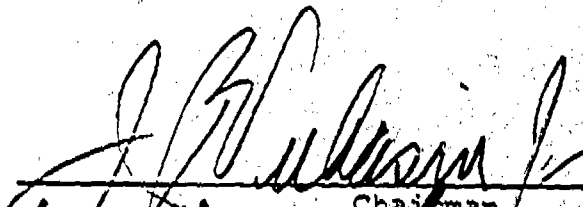
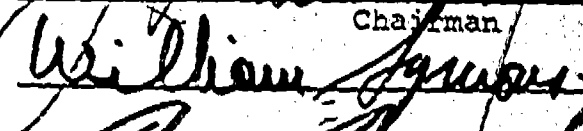
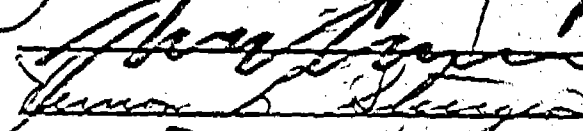

1. River Lines Company, a corporation, is authorized to have certain of its rates canceled from San Francisco Barge Tariff Bureau Local Freight Tariff No. 1, Cal.P.U.C. No. 2 of William M. Larimore, Agent, as proposed in the application, and to have certain of its other rates in said tariff increased by computing the total charges resulting from the application of such rates and increasing the amount so obtained by $5\frac{1}{2}$ percent. Fractions resulting from application of the surcharge shall be disposed of by dropping those which are less than one-half cent and increasing those which are one-half cent or greater to one cent.

2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than one day after the effective date of this order on not less than one day's notice to the Commission and to the public.

3. A public hearing shall be scheduled in this proceeding for the receipt of evidence on this application and full disposition thereof.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 7th day of June, 1972.


Chairman



Commissioners

APPENDIX A

Certificate of the Public Utilities
Commission of the State of California Re
Increases in Rates for Certain Transportation
Services Performed by River Lines Company
within California

Pursuant to provisions of Section 300.16 of the Economic Stabilization Act Amendments of 1971, the Public Utilities Commission of the State of California does hereby certify to the Federal Price Commission as follows:

1. The decision of the California Public Utilities Commission to which this certification is attached authorizes River Lines Company to increase its rates and charges on an interim basis by 5½ percent pending public hearing in the matter. The authority also permits the cancellation of rates to certain points where movements no longer exist.
2. The carrier has incurred increases in labor and related costs since 1967 when the rates in question were last increased. The increases authorized herein are the minimum required to assure continued, adequate and safe service by the carrier pending public hearing in the matter and full disposition thereof.
3. The dollar amount of the increased revenue which the increases in rates are expected to provide the carrier is approximately \$73,000.
4. The rate increases are cost-based and will have little, if any, effect upon the carrier's operating ratio and/or rate of return and will not reflect future inflationary expectations.

(END OF APPENDIX A)