

ORIGINAL

Decision 84 OS 103

AUG 1 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Frosty Freightways,)
Inc., (T-65800) by its consultant,)
Marshall Bline, for authority to)
increase its Transition Tariff rates)
and charges.)

-And-

Application 84-05-029
(Filed May 4, 1984)

For Authority to depart from the)
terms of Sections 454 and 491 of the)
Public Utilities Code when)
accomplishing such publication.)

O P I N I O N

By this filing, Frosty Freightways, Inc. (Frosty) seeks authority to amend its adoption of the Commission's Transition Tariff 2, by increasing its rates and charges as follows:

A. Class Rates:

Any Quantity	by 17%
5,000 pound minimum weight	by 17%
10,000 pound minimum weight	by 3%
20,000 pound minimum weight	by 3%
Truckload-less than 40,000 pounds	by 3%.

8-6-84

B. Minimum Charges in cents, as follows (Average increase approximately 25%).

<u>Weight Per Shipment</u> <u>In Pounds</u>		<u>Miles Transported</u>			
<u>Over</u>	<u>But Not Over</u>	<u>Not Over 150</u>	<u>Over 150 But Not Over 300</u>	<u>Over 300 But Not Over 500</u>	<u>Over 500</u>
0	25	1084	1868	2054	2354
25	50	1311	1868	2054	2354
50	75	1500	1868	2054	2354
75	100	1680	1868	2054	2354
100	150	2027	2493	2743	3357
150	200	2359	2893	3181	3928
200	250	2697	3398	3739	4583
250	300	2931	3784	4162	5214
300	400	3504	4491	4940	6209
400	500	3986	5063	5569	7261
500	Over	4400	5614	6176	8231

C. Split Pick Up and Split Delivery (Increase approximately 20%).

<u>When The Actual or Billed Weight of Shipment is:</u>			<u>Weight Per Component Part In Pounds</u>		<u>Charge Per Component-In-Cents</u>	
<u>Over</u>	<u>But Not Over</u>	<u>Maximum No. of Components</u>	<u>Over</u>	<u>But Not Over</u>	<u>Not Over 100 Miles</u>	<u>Over 100 Miles</u>
4,999	6,000	6	0	100	776	857
6,000	8,000	8	100	250	914	1029
8,000	10,000	10	250	500	949	1116
10,000	And Over	1 Per	500	1000	1024	1564
		1,000 Pounds	1000	2000	1328	2261
		Maximum 20	2000	4000	1737	2783
			4000	10000	1972	3249
			10000	-----	2220	3766

Components in excess of the above will be subject to an additional charge of \$10.00 each, to a limit of 40 components for the entire shipment.

D. All other rates and charges in Transition Tariffs 1-B, 15 and 19 by 10%.

As justification for the proposed increases, Frosty cites the higher operating expenses it is experiencing, the most significant being the increased taxes on fuel and equipment. In addition, the effect of higher operating costs without an increase in applicant's rates since adoption of the tariffs in April, 1980 has forced Frosty to file for bankruptcy, and it is presently operating under the terms and conditions of Chapter 11.

Frosty has prepared financial data for a 12-month test period ending December 31, 1983. From that data, the staff has prepared a comparison of Frosty's financial position using the present costs being experienced with the revenue earned in 1983 and the projected 1984 revenue including the sought increase.

	<u>Test Year Ending December 31, 1983</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$ 2,062,588	\$ 2,268,847
Expenses Revised to Reflect Current Costs	2,153,542	2,153,542
Profit (Loss)	(90,954)	115,305
Operating Ratio	104.4%	94.9%

Frosty indicates that the proposal is not considered to be a major action significantly affecting energy-efficiency within the meaning of Public Utilities (PU) Code Sections 3502.1 and 3502.2.

The application was listed on the Commission's Daily Transportation Calendar of May 14, 1984. No objection to the granting of the application has been received.

Findings of Fact

1. The proposed increases in applicant's amendment to its adoption of the Commission's Transition Tariffs as specifically stated in this opinion, are justified.

2. Under the proposed increases, Frosty estimates that it will realize additional revenue of \$206,259.

3. Authority to depart from the provisions of PU Code Section 461.5 is justified.

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

5. A public hearing is not necessary.

6. The effective date of this order should be today because applicant has an immediate need for the increase.

Conclusion of Law

The application should be granted.

O R D E R

IT IS ORDERED that:

1. Frosty Freightways, Inc. is authorized to increase its rates in its amendment to the adoption of the Commission's Transition Tariffs as specifically stated in the body of this opinion.

2. Tariff publications authorized to be made as a result of this order shall be filed on or after the effective date of this order and may be made effective not earlier than 5 days after the effective date of this order on not less than 5 days' notice to the Commission and to the public.

3. Frosty Freightways, Inc., in establishing and maintaining the rates authorized by this order, is authorized to depart from the provisions of PU Code Section 461.5 to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorization; such outstanding authorizations are 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.

4. The application is granted as set forth above.

This order is effective today.

Dated AUG 1 1984, at San Francisco, California.

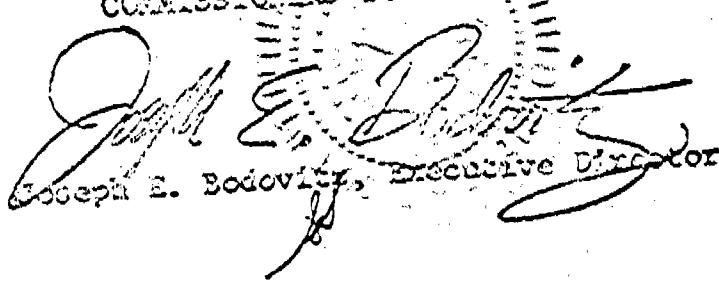
Commissioner Priscilla C. Grew,
being necessarily absent, did
not participate

Commissioner William T. Bagley
being necessarily absent, did
not participate.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
DONALD VIAL
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director