

Decision 90 01 057 JAN 24 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)
Bay Area Rainbow Express of Santa)
Clara, doing business as RAINBOW)
EXPRESS (T-155,821), for authority)
to increase rates and charges in its)
Local Freight Tariff 1, pursuant to)
Section 454 of the Public Utilities)
Code and to depart from the)
provisions of Sections 460, 461.5)
and 491 of the Public Utilities Code)
when making such publication.)

ORIGINAL

Application No. 89-08-005
(Filed August 9, 1989;
amended December 15, 1989)

O P I N I O N

Bay Area Rainbow Express of Santa Clara, doing business as Rainbow Express (Rainbow Express), seeks authority to increase its base rates and charges by 10% in its Local Freight Tariff No. 1, CAL PUC 1.

Rainbow Express states that it incurred increases in expenses, especially in the costs of labor, benefits, fuel and operating supplies.

Rainbow Express last increased its rates and charges by implementing the Truck Freight Cost Index (TFCI) increase of 2.4% on rates not subject to minimum weights of 10,000 pounds or more and 1.8% on rates subject to minimum weights of 10,000 pounds or more, effective October 8, 1988, in compliance with Resolution TS-683.

Rainbow Express has furnished revised financial data by amendment dated December 15, 1989, for the 12 month period ending December 31, 1988, setting forth actual revenue and expenses as well as projected results under the proposed rates. From that data, the staff has prepared a comparison of Rainbow Express' financial position using current expenses in conjunction with current and proposed revenues.

Test Period Ending December 31, 1988

	<u>Present Rates</u>	<u>Proposed Rates</u>
Total Revenue	970,345	1,067,380
Projected Expenses	969,694	969,694
Profit	651	97,686
Operating Ratio	99.9	90.8

The proposed rates would increase Rainbow Express' annual base rate revenue by approximately \$97,035. Rainbow Express has requested permission to publish the increase within 120 days of the effective date of the decision, because the notification and negotiation process associated therewith make it impractical to publish all of the changes effective at once.

The application and amendment were listed on the Commission's Daily Transportation Calendars of August 9, 1989 and December 15, 1989, respectively. No protest to the granting of the application, as amended, has been received. The application was not filed under authority granted pursuant to Section 496 of the Public Utilities Code.

Findings of Fact

1. Rainbow Express has experienced increases in operating expenses.
2. Rainbow Express is seeking a 10% increase in its rates and charges.
3. Rainbow Express has implemented the TFCI increases of 2.4% on rates not subject to minimum weights of 10,000 pounds or more and 1.8% on rates subject to minimum weights of 10,000 pounds or more effective October 8, 1988, pursuant to Resolution TS-683.
4. The proposed rates would increase Rainbow Express' annual base rate revenue by approximately \$97,035.
5. The increases resulting from this proposal are justified.

O R D E R

IT IS ORDERED that:

1. Rainbow Express is authorized to increase its rates and charges in Local Freight Tariff No. 1 by 10%.
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. Rainbow Express in establishing and maintaining the rates authorized by this order, is authorized to depart from the provisions of Public Utilities Code Section 461.5 to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; 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. This authority will expire if not exercised within 120 days of the effective date of this order.
5. The application is granted as set forth above.
6. This order is issued pursuant to Section 308 of the Public Utilities Code and Resolution TS-678.

This order is effective today.

Dated JAN 24 1990, at San Francisco, California.

William R. Schulte
WILLIAM R. SCHULTE, Director
Transportation Division

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

Wesley Franklin
WESLEY FRANKLIN, Acting Executive Director