

T/JRE

ORIGINAL

Decision 90 10 052

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Cal-West Tariff Bureau,)
Inc., Agent, on behalf of Freeway)
Express, Inc., to increase all rates)
and charges by 20% in Cal-West Tariffs)
1, 3, 15, 16, 17, 19, 21, 22, 30 and)
31, issued by Cal-West Tariff Bureau,)
Inc., Agent;)

Application 90-07-053
(Filed July 23, 1990)

AND)

For authority to depart from the pro-)
visions of Sections 454, 461.5 and 491)
of the California Public Utilities)
Code to the extent necessary to)
accomplish publication of the proposed)
tariff provisions.)

O P I N I O N

Cal-West Tariff Bureau, Inc., Agent (CWTB) on behalf of Freeway Express, Inc. (Freeway), seeks authority, pursuant to Sections 454, 461.5 and 491 of the Public Utilities Code, to increase all rates and charges by 20% in Tariff Nos. 1, 3, 15, 16, 17, 19, 21, 22, 30 and 31, issued by CWTB, as set forth in Exhibit B of the application.

Freeway last increased its rates and charges by implementing the Truck Freight Cost Index (TFCI) increase of 2.9% on rates and charges not subject to minimum weights of 10,000 pounds or more, effective November 10, 1989 pursuant to Resolution TS-684. Previously, Freeway increased its rates and charges by the 5% permissive window effective August 3, 1987.

Freeway has experienced increases in operating expenses, the most significant being the increased costs of labor, fuel, insurance and an expansion of its truck fleet and seeks authority to increase its rates and charges as an appropriate counter-measure to the increased costs.

Freeway has provided financial data for the 12-month period ending December 31, 1989, 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 Freeway's financial position using current expenses in conjunction with current and proposed revenues.

	<u>Test Period Ending December 31, 1990</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$ 1,640,591	\$ 1,968,709
Expenses	1,777,333	1,777,333
Profit (Loss)	(136,742)	191,376
Operating Ratio	108.3	90.3

The application was listed on the Commission's Daily Transportation Calendar of July 30, 1990. No protest to the granting of the application has been received. The application was not filed under authority granted pursuant to Section 496 of the Public Utilities (PU) Code.

Findings of Fact

1. Freeway has experienced increases in operating expenses.
2. Freeway is seeking a 20% increase in its rates and charges.
3. Freeway implemented the TFCI increase of 2.9% on rates and charges not subject to minimum weights of 10,000 pounds or more effective November 10, 1989, pursuant to Resolution TS-684. Previously, Freeway increased its rates and charges by the permissive 5% window effective August 3, 1987.
4. The proposed rates will increase Freeway's annual revenue by approximately \$328,118.

5. The increases resulting from this proposal are justified.

Conclusions of Law

1. The application should be granted.
2. This order should be made effective today, since there is an immediate need for rate relief.
3. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Freeway Express, Inc., is authorized to increase its rates and charges by 20% as specifically provided in the body of the 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 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. Freeway Express, 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 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 60 days of the effective date of this order.

5. The application is granted as set forth above.

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6. This order is issued pursuant to Section 308 of the
PU Code and Resolution TS-678.

This order is effective today.

Dated OCT 18 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 :


NEAL J. STULMAN, Executive Director
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