

T/YF/nml

Decision 91 12 078

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
WILLIG FREIGHT LINES (T-11,501),)
seeking authority to increase rates)
and charges in WILLIG FREIGHT LINES)
Local Freight Tariffs No. 5-A, CAL)
PUC 8; No. 6, CAL PUC 6; No. 200,)
CAL PUC 2.)

Application No. 91-11-021
(Filed November 19, 1991)

AND)

For authority to depart from the)
terms of Sections 460, 461.5 and)
491 of the Public Utilities Code)
when making such publication.)

OPINION

Willig Freight Lines (applicant) seeks authority to increase its rates and charges by 8% in its Tariffs Nos. 5-A, 6 and 200. The applicant is a common carrier of freight by truck and operates within California.

The applicant states that the need to increase operating costs is due largely to increased labor costs and fringe benefits resulting from the collective bargaining agreement negotiated with the Teamsters. The carrier took its last 10% increase per the zone of reasonableness in February 25, 1991, per General Order 147-B Rule 7.2.

The applicant has furnished financial data for the year ending September 30, 1991. With the implementation of the authorized 8% increase, Willig Freight Lines estimates that the maximum additional gross revenues resulting from the proposed increases will approximate \$3,059,305 annually. The applicant estimates that this is approximately 9.8% more than the gross revenue on the involved traffic for the fiscal year ending September 30, 1991, or 8.0% when measured against the re-stated revenues in Appendix A: Revenues and

A. 91-11-021 T/YF/nml

Expenses--Current, Re-stated and Projected.

Testing Period Ending September 30, 1991

	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$37,613,494	\$41,300,607
Expenses	\$40,497,806	\$40,497,806
Gross Profit (Loss)	\$(2,884,213)	\$ 802,801
Operating Ratio	107.7%	98.1%

Additionally, the carrier has already canceled all fuel surcharges previously in effect. The rate increases requested cannot be accommodated within the zone of reasonableness since the carrier's rates were adjusted within the past 12 months. The applicant states that it appears that the actual annualized revenue contribution of the 10% increase will more nearly approximate 4.25%. The rate increases requested are necessary and essential for a viable operation.

Findings of Fact

1. Applicant took its last rate increase on February 25, 1991, per the zone of reasonableness per General Order 147-B, Rule 7.2.
2. Applicant is seeking a rate increase of 8.0%.

3. Applicant seeks authority to (a) "round" rates which are stated in cents per 100 pounds to the nearest whole cents, (b) "round" all other rates and charges to the nearest five cents, (c) determine the additive for shipments moving in excess of 1,200 miles by averaging the amount of increase between four prior mileage blocks in the same rate scale, and (d) respectfully requests that the Commission provide a 120 day period within which the Applicant may exercise the authority granted.

4. The application was listed on the Commission's Daily Transportation Calendar of November 22, 1991. There were no protests.

5. Applicant estimates that the proposed rate increases would increase its net annual revenue by approximately \$3,059,305.

6. The increases resulting from this proposal are reasonable and 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.

ORDER

IT IS ORDERED that:

1. Willig Freight Lines (Applicant) is authorized to increase its rates and charges by 8.0% in its Tariffs Nos. 5-A, 6 and 200.

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

3. This authority will expire if not exercised within 120 days of the effective date of this order.

4. The application is granted as set forth above.

5. This order is issued pursuant to Section 308 of the Public Utilities Code and Resolution TS-678.

This order shall become effective a day after the date hereof.

Dated DEC 3 1 1991, 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

- 4 -
Neal J. Sullivan
NEAL J. SULLIVAN, Executive Director
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